



provided in the Third Schedule hereto.

(5) By an Assignment bearing even date herewith and made between the Registered Owner of the one part and the Covenanting Owner of the other part, the Registered Owner assigned unto the Covenanting Owner All Those [ ] equal undivided 3,710 parts or shares of and in the Land and the Development Together with the full and exclusive right and privilege to hold use occupy and enjoy All That [ ] of the Development (“First Unit”).

(6) The parties hereto have agreed to enter into these presents to provide for the proper management, operation, servicing, maintenance, repair, decoration, renovation, improvement and insurance of the Land and the Development and for the purposes of defining and regulating the rights interests and obligations of themselves and all subsequent owners in respect of the Land and the Development.

NOW THIS DEED WITNESSETH as follows:

## SECTION I

### DEFINITIONS

In this Deed, the following words and expressions shall have the following meanings ascribed to them except where the context otherwise requires or permits:

“Authorised Person”	Cheung Kong Yeung of Messrs. Cheung Kong-Yeung Architects Limited and this expression shall include any other authorised person or persons as defined in Section 2(1) of the Buildings Ordinance for the time being appointed by the Registered Owner in his place.
“Chairman”	The chairman of the Owners' Committee appointed in accordance with the provisions hereof from time to time.
“Common Areas”	All of the Development Common Areas and Residential Common Areas.
“Common Facilities”	All of the Development Common Facilities and Residential Common Facilities.
“Deed of Covenant”	A Deed of Covenant dated 15 <sup>th</sup> March 1921 and registered in the Land Registry by Memorial No.UB74629 in respect of Section A of Inland Lot No.675, Section B of Inland Lot No.675 and The Remaining Portion of Inland Lot No.675.
“Development”	The whole of the development now erected on the Land and now known as EIGHT SOUTH LANE.

“Development  
Common Areas”

All those areas or parts of the Land and the Development the right to the use of which is designated by the Registered Owner in accordance with the provisions of this Deed for the common use and benefit of the Owners and occupiers of the Units and is not given by this Deed or otherwise to the Registered Owner or the Owner of any individual Unit and is not otherwise specifically assigned and which include, without limiting the generality of the foregoing, the external walls of the Development (including the architectural fins and features (if any) forming part of such external walls and the window and window frames of the Common Areas but excluding, for the avoidance of doubt, the external walls forming part of the Residential Common Areas, the external walls and the enclosing walls of the Shop(s), the curtain walls of the Units and the windows and window frames of any Units), parapet-walls, roads, footpaths, stairs, walkways, passageways, entrance hall, staircases, planters, excavated & backfilled area(s), lift pit, lift, fire services & sprinkler pump room, fire services control room, potable & flushing water pump room, E&M service corridor, HEC cable room & switch room, store room, caretaker counter, sprinkler inlet & fire services inlet, alarm valve cabinet, potable water meter cabinet & fire services check meter cabinet, refuse storage & material recovery chamber, gas valve cabinet, water tanks, TBE room, architectural features (if any), emergency generator room, flushing pump room, lift machine room, water meter cabinet, electrical meter cabinet, potable pump room, switch room, flushing water tanks, flat roofs (excluding those which form part of any Unit), roof, upper roof(s), top roof, ramp, Hatched Red Areas but excluding the part or parts thereof forming part of any Unit and such areas within the meaning of “common parts” as defined in Section 2 of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) but shall exclude the Residential Common Areas. For the purpose of identification, the Development Common Areas are shown coloured orange on the plans certified as to their accuracy by or on behalf of the Authorized Person annexed hereto.

“Development  
Common Facilities”

All those installations and facilities in the Development Common Areas used in common by or installed for the common benefit of all the Units of the Development as part of the amenities thereof and not for the exclusive benefit of any individual Unit and, without limiting the generality of the foregoing, including fence walls, drains, manhole cabinet, channels, water mains, sewers, gutters, watercourses (if any), cables, wells (if any), gas valve, pipes, wires, salt and fresh water intakes and mains, fire fighting or security equipment and facilities, pumps, switches, meters,

lightning conductor, emergency generator, ventilation fans, meter cabinet, lights, sanitary fittings, gondola, lightning post, refuse disposal equipment and facilities, communal aerials and other apparatus equipment and facilities.

“Fire Safety Management Plan”	The fire safety management plan and measures relating to Residential Units including subsequent variations or amendments thereto from time to time made by the Buildings Department, the Fire Services Department and any other relevant government authorities.
“Fitting Out Rules”	The rules as set out in the Fifth Schedule to regulate the fitting out of the Shop(s) as amended from time to time in accordance with the Government Grant and pursuant to these presents.
“Government”	The Government of The Hong Kong Special Administrative Region for the time being entrusted with the rule and administration of The Hong Kong Special Administrative Region including any government department(s) and/or any other persons acting with the authority of the Government of The Hong Kong Special Administrative Region.
“Government Grant”	The Government Lease of the Land more particularly described in the First Schedule hereto as modified by any subsequent variations or modifications thereof (if any) as approved by the Director of Lands.
“Green and Innovative Features”	All those green and innovative features which are exempted from the calculation of gross floor area or site coverage or both of the Development by the Building Authority and the Director of Lands, which comprise balconies and non-structural prefabricated external wall as shown on the Plans.
“Hong Kong”	The Hong Kong Special Administrative Region.
“Hatched Red Areas”	The areas as shown coloured hatched red on the plans certified as to their accuracy by and on behalf of the Authorised Person annexed hereto.
“House Rules”	The rules which have been or may be made in accordance with the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) and pursuant to these presents by the Manager relating to the use, operation and maintenance of the Development from time to time.
“maintain”	Operate, service, repair, uphold, support, rebuild, overhaul, pave,

purge, scour, cleanse, empty, amend, replace, renovate, improve and decorate or any of such of the foregoing as may be applicable in the circumstances and are in the interest of good estate management.

“management”	All duties and obligations to be performed and observed by the Manager pursuant to the provisions of this Deed.
“Management Budget”	The annual budget prepared by the Manager in accordance with Subsection D of Section VI of this Deed.
“management expenditure” or “management expenses”	All costs, expenses and charges reasonably and necessarily incurred or to be incurred for the management of the Land and the Development, including Manager's Remuneration.
“management fund”	All monies received, recovered or held by the Manager pursuant to this Deed except only the Manager’s Remuneration and the Special Fund.
“Management Shares”	The shares allocated or to be allocated to the Units of the Development as set out in the Third Schedule hereto for the purpose of determining the due proportion of the management expenses payable by each Owner.
“Manager”	The DMC Manager or any other manager for the time being appointed under the provisions in these presents to manage the Land and the Development pursuant to the provisions of this Deed.
“Manager’s Remuneration”	The remuneration payable to the Manager pursuant to the provisions of this Deed.
“Non-enclosed Areas”	All those balconies and flat roofs and the covered areas beneath the lowest balconies of the Residential Units as set out in the Second and Third Schedules of this Deed.
“Occupation Permit”	An Occupation Permit (including a temporary Occupation Permit and a phased Occupation Permit) relating to the Development issued by the Building Authority.
“Owner or Owners”	The person or persons who for the time being appear(s) from the records at the Land Registry to be the owner(s) of the undivided share(s) and shall include the registered mortgagee (as defined in the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong)) in possession of the undivided share(s).
“Owners’	The Owners' Committee formed under the provisions of this Deed.

Committee”	
“Owners’ Corporation”	The Owners' Corporation of the Development incorporated under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong).
“person”	A natural person, a legal person, a body corporate or unincorporated or other judicial person, partnership, firm, joint venture or trust.
“Plans”	The plans for the development of the Land approved by the Building Authority under Reference No.BD 2/2025/12 including any approved amendments thereto.
“Recreational Facilities”	All recreational facilities including, but not limited to, club house, gymnasium, library, game room and dining area, and other areas or facilities provided within the Development for use by the residents of the Residential Units and their bona fide visitors for recreational purposes.
“Residential Common Areas”	All those areas or parts of the Land and the Development the right to the use of which is designated by the Registered Owner in accordance with the provisions of this Deed for common use and benefit of the Owners and occupiers of Residential Units and is not given by this Deed or otherwise to the Registered Owner or the Owner of any individual Residential Unit and is not otherwise specifically assigned and which, without limiting the generality of the foregoing, include Recreational Facilities, all those part or parts of the external walls of the Development which serve the Residential Units and are for the common use and benefit of the owners and occupiers of the Residential Units (including the architectural fins and features (if any) forming part of such external walls but excluding the curtain walls of the Residential Units and the windows and window frames of the Residential Units), maintenance spaces, parapet-walls, flat roofs (excluding those which form part of any Units), air conditioning platforms, refuse storage and material recovery room, exhaust air duct, extra-low voltage room, planters, pipe ducts, lift lobbies, lift, lift machine room, lift pit, lift shaft, raised platform, staircases, walkways. For the purpose of identification, the Residential Common Areas are shown coloured indigo on the plans certified as to their accuracy by and on behalf of the Authorized Person annexed hereto.
“Residential Common Facilities”	All those installations and facilities in the Residential Common Areas used in common by or installed for the common benefit of

all the Residential Units and not for the exclusive use or benefit of any individual Unit or the Development as a whole and which, without limiting the generality of the foregoing, include drains, switches, meters, pipes, pumps, air-conditioning units, fans, wires, cables, lights, antennae, lifts installations and facilities in the lift machine rooms, fire warning and fighting equipment, refuse disposal equipment and apparatus, recreational and other facilities in the Recreational Facilities and other service facilities apparatus whether ducted or otherwise.

“Residential Unit”	A unit (including the Non-enclosed Areas (if any), curtain walls (if any), windows (if any), openable windows in curtain wall(s) (if any) and window frames (if any)) within the Development designated for residential use and to which equal undivided shares in the Land and the Development have been or may be allocated.
“Shop”	A self-contained unit for commercial use and to which equal undivided shares have been or may be allocated, including, without limitation, the external walls thereof (if any), the enclosing walls thereof (if any), flat roof (if any), shopfront (if any), signage spaces (if any), curtain walls (if any), open area (if any), A/C plant room (if any) and lavatories (if any) therein.
“Sign”	Any sign, signage, visual display, hoarding, showcase, lightbox, signboard, bill plate, fascia, poster, advertisement, banner or other similar fixture or fitting (illuminated or otherwise).
"Slopes and Retaining Walls”	The slopes, slope treatment works, retaining walls and other structures within or outside the Land which are required to be maintained by the Owners under the Government Grant.
“Special Fund”	A fund to be established by the Manager for payment of expenses of a capital nature. Such expenses of capital nature shall be of a kind not expected to be incurred annually and shall include, inter alia, expenses for the establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within the Common Areas and Common Facilities.
“undivided share or shares”	Any equal undivided share(s) of and in the Land and the Development.
“Unit”	A portion in the Development to which equal undivided shares in the Land and the Development have been or may be allocated being either a Residential Unit or a Shop.
“Various	An Assignment dated 26 <sup>th</sup> October 1963 and registered in the Land

Assignments”

Registry by Memorial No. UB420977 in respect of The Remaining Portion of Inland Lot No.675, an Assignment dated 26<sup>th</sup> October 1963 and registered in the Land Registry by Memorial No. UB420978 in respect of Subsection 4 of Section B of Inland Lot No.675, an Assignment dated 25<sup>th</sup> November 1963 and registered in the Land Registry by Memorial No. UB420979 in respect of Subsection 5 of Section B of Inland Lot No.675 and Section D of Inland Lot No.675, an Assignment dated 26<sup>th</sup> October 1963 and registered in the Land Registry by Memorial No. UB420980 in respect of Section E of Inland Lot No.675, an Assignment dated 26<sup>th</sup> October 1963 and registered in the Land Registry by Memorial No. UB420981 in respect of Section F of Inland Lot No.675, an Assignment dated 26<sup>th</sup> October 1963 and registered in the Land Registry by Memorial No. UB420982 in respect of Subsection 3 of Section B of Inland Lot No.675, an Assignment dated 15<sup>th</sup> August 1972 and registered in the Land Registry by Memorial No.924466 re-registered in the Land Registry by Memorial No.986258 in respect of Subsection 2 of Section B of Inland Lot No.675 and Section A of Inland Lot No.676.

“Works and Installations”

The major works and installations in the Development which require regular maintenance on a recurrent basis, a schedule of which as at the date hereof is included in the Fourth Schedule to this Deed.

## SECTION II

### EXCLUSIVE RIGHTS OF REGISTERED OWNER AND COVENANTING OWNER

1. The Registered Owner shall at all times hereafter subject to and with the benefit of the Government Grant and this Deed have the sole and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the Covenanting Owner the whole of the Land and the Development together with the appurtenances thereto and the entire rents and profits thereof save and except All That the First Unit of the Development and save and except the Common Areas and the Common Facilities.
2. The Covenanting Owner shall at all times hereafter subject to and with the benefit of the Government Grant and this Deed have the full and exclusive right and privilege to hold, use, occupy and enjoy to the exclusion of the Registered Owner All That the First Unit of the Development together with the appurtenances thereto and the entire rents and profits thereof.
3. Subject to Section VIII hereof, the respective grants hereinbefore contained shall in each case be for the residue of the term of years set out in the First Schedule hereto.
4. Each undivided share of and in the Land and the Development and the full and exclusive right and privilege to hold use occupy and enjoy any part of the Development shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements rights privileges and obligations contained herein.
5. The Owners shall at all times hereafter be bound by and shall observe and perform the covenants provisions and restrictions set out in the Government Grant and this Deed and the benefit and burden thereof shall be annexed to every part of the Land and the Development and the undivided share or shares held therewith. The Conveyancing and Property Ordinance (Cap.219) and any statutory amendments modifications or re-enactments thereof for the time being in force shall apply to this Deed.
6. Subject to the provisions of the Government Grant, every Owner for the time being of any undivided share shall have the full right and liberty without reference to the other Owners or other persons who may be interested in any other undivided share or shares in any way whatsoever and without the necessity of making such other Owners or other persons a party to the transaction to sell assign mortgage lease licence or otherwise dispose of or deal with his undivided share or interest in the Land and the Development together with the exclusive right and privilege to hold use occupy and enjoy such part or parts of the Development which may be held therewith but any such sale assignment mortgage lease licence or other disposal shall be expressly subject to and with the benefit of this Deed.
7. (a) The right to the exclusive use occupation and enjoyment of any part of the Land or the Development shall not be sold, assigned, mortgaged, charged, leased or otherwise dealt with separately from the undivided share(s) with

which the same is held Provided that nothing in this Clause shall be taken as restricting the right of the Registered Owner or the Owner(s) of the Shop(s) to sub-divide any of the Shop(s) and Provided Always that the provisions of this Clause shall not extend to leases or tenancies the terms of which shall not exceed ten years (including any renewal thereof) at any one time.

- (b) The right to the exclusive use occupation and enjoyment of any Non-enclosed Areas shall not be sold assigned mortgaged charged leased or otherwise dealt with separately from the Residential Unit with which the Non-enclosed Areas are held.

8. Each and every Owner covenants with the Registered Owner with the intent that the covenants, rights, entitlements, exceptions and reservations herein conferred upon the Registered Owner shall bind each and every Owner and their respective successors and assigns and are intended to run and shall run with the Land and the Development and any interest therein and shall apply notwithstanding any provisions to the contrary contained in this Deed that the Registered Owner shall for as long as it remains the beneficial owner of any undivided share of and in the Land and the Development have the right at any time or times and from time to time as it shall deem fit to do all or any of the following acts or deeds and to exercise all or any of the following rights which are hereby expressly excepted and reserved unto the Registered Owner without the concurrence or approval of any other Owner, the Manager or any other person interested in the Land and the Development except otherwise provided in the following sub-clauses:

- (a) The full and unrestricted right privilege and power at all reasonable times hereafter to enter into and upon all parts of the Land (subject to the restrictions hereinafter mentioned regarding those parts of the Development already assigned or exclusively owned by the other Owners) with all necessary equipment plant and materials for the purposes of constructing and completing the Development or any part thereof in accordance with the Plans and for such purposes to carry out all such works in under or over the Land as it may from time to time see fit provided that nothing herein shall absolve the Registered Owner from obtaining any Government approval which may be required for the same. The rights of the Registered Owner to enter the Land to carry out such works shall extend equally to all contractors agents workers and other persons authorized by the Registered Owner. The Registered Owner in pursuance of such work may from time to time issue in writing to the Owners instructions as to the areas or parts of the Land that the Owners his/their servants agents or licensees may or may not use or have access to or over while such works are being carried out. The Registered Owner shall not incur any liability (not involving criminal liability, dishonesty or negligence on the part of the Registered Owner or its contractors, servants, agents, workers or authorized persons) to the Owners or any person having an interest in the Land or claiming under a person having such an interest in respect of any inconvenience, disturbance, damage or loss that may be caused by or arise from such construction works Provided that:

- (i) the Registered Owner shall only have the right to enter into those parts of the Development already assigned or exclusively owned by other Owners after obtaining those Owners' prior written consent;
  - (ii) the Registered Owner shall at its own expense make good all damage caused to other Owners as a result of its acts in the course of the exercise of the rights under this sub-clause;
  - (iii) the Registered Owner shall ensure that the least disturbance and inconvenience will be caused to any Owner or any occupier of a Unit; and
  - (iv) the Registered Owner shall ensure that an Owner's sole and exclusive right and privilege to hold use and enjoy his Unit and the unimpeded access to and from his Unit shall not be affected.
- (b) Subject to the prior written approval of the Owners' Committee or the Owners' Corporation (if formed), the right to change, amend, vary, add to or alter the Plans for the Development or any part thereof existing at the date hereof without the concurrence or approval of the Owners or any of the parties hereto But nothing herein shall absolve the Registered Owner from the requirements of obtaining the prior written consent of the Director of Buildings and any other statutory Government Authorities pursuant to the Government Grant provided that any such change amendment variation addition or alteration shall not interfere with an Owner's right to hold use occupy and enjoy the part of the Development which he owns or impede or restrict the access to and from any such part of the Development.
- (c) Subject to Clause 16 of Section X of this Deed, the right to enter into a supplemental or sub-deed or sub-deeds of mutual covenant in respect of any part or parts of the Land and the Development owned by the Registered Owner Provided that such supplemental or sub-deed or sub-deeds of mutual covenant shall not conflict with the provisions of the Government Grant or this Deed or any other supplemental or sub-deed of mutual covenant.
- (d) The exclusive, full and unrestricted right and privilege from time to time to designate and/or re-designate the unit numbering of any part of the Development vested in the Registered Owner provided that prior written approval of the Building Authority has been obtained.
- (e) Subject to the prior written approval of the Owner's Committee or the Owner's Corporation (if formed), the authority and right for the Registered Owner to negotiate and agree with the Government any amendment, alteration, variation or addition to the terms and conditions of the Government Grant without the concurrence or approval of any Owner and to execute any

documents in the name of the Registered Owner only and/or on behalf and in the name of all or some Owners in connection therewith without the necessity of joining in any other Owner, provided that such amendment, alteration, variation or addition or such documents shall not in any way affect an Owner's sole and exclusive right and privilege to hold, use, occupy and enjoy his Unit or unreasonably impede or restrict the access to or from any part of the Development. Any benefit, payment or compensation received in relation to or incidental to such amendments, alteration, variation or addition or document shall be credited to the Special Fund.

- (f) Notwithstanding and without prejudice to the generality of anything hereinbefore contained, subject to the prior written approval of the Owner's Committee or the Owner's Corporation (if formed), the Registered Owner further reserves the right at its own cost and expense to apply to, negotiate and agree with the Government with a view to amending, varying or modifying the Government Grant (including the plan(s) annexed thereto) or any conditions thereof for installing on government land pipes, sewers, subways or other facilities whether serving exclusively the Development or any part thereof in such manner as the Registered Owner may deem fit without the concurrence or approval of any other Owners and to execute any documents in the name of the Registered Owner in connection therewith without the necessity of joining in any other Owners and any such amendment, variation or modification shall be binding on all the Owners Provided always that such amendment, variation or modification shall not in any way affect the Owner's sole and exclusive right and privilege to hold, use, occupy and enjoy his Unit or impede or restrict the access to or from any such Unit Provided That nothing herein shall impose any obligation on the Registered Owner to make any modification to the Government Grant or to enter into any other documents referred to above.
- (g) The full right and power to designate and declare by deed or in writing any area or part or parts of the Land or the Development the sole and exclusive right to hold, use, occupy and enjoy of which and to receive the rents and profits therefrom is for the time being owned by the Registered Owner to be additional Residential Common Areas or Development Common Areas whereupon with effect from such designation or declaration such area or part or parts shall form part of the relevant type of Common Areas as hereinbefore defined and the Owners or relevant Owners shall contribute to the maintenance and upkeep of the same as if they were part of the relevant type of Common Areas Provided that:
  - (i) such designation are for the benefit of all Owners or the relevant Owners and the approval by a resolution of Owners or the relevant Owners at an Owners' meeting convened under this Deed has been obtained;
  - (ii) the exercise of the rights of the Registered Owner under this sub-

clause (g) shall not in any way interfere with any other Owner's exclusive right to hold, use, occupy and enjoy the Unit which such other Owner owns and his rights and interests under this Deed in respect of such Unit and shall not restrict or impede such other Owner's right of access to and from the Unit which such other Owner owns;

- (iii) all the undivided shares allocated to the additional Common Areas shall be assigned to and vested in the Manager in accordance with the provisions of this Deed by a separate deed.
  
- (h) Subject to the prior written approval of the Owners' Committee or the Owners' Corporation, if formed, and the prior written approval of the Building Authority and all other government authorities (if necessary) the right for the Registered Owner without the necessity of joining any other Owners as a party but subject to the provisions of this Deed from time to time to permit all members of the public at all times and for all lawful purposes freely and with or without payment of any nature to pass and repass on foot over and along any part of the Common Areas and in the name of all Owners to negotiate with Government and to surrender, dedicate or assign any of the Common Areas or any part thereof to the Government or the public as the case may be and to accept from Government such land in exchange for or in addition to the Common Areas as Government shall grant Provided that in making such surrender, dedication or assignment, the Registered Owner shall not interfere with an Owner's exclusive right to hold, use and occupy the part of the Development to which he is entitled or unreasonably impede or restrict the Owner's access to and from any such part of the Development and Provided further that any benefit, payment or compensation received shall be credited to the Special Fund and Provided further that if any land is granted by the Government and added to the Common Areas as aforesaid, such additional Common Areas together with any undivided shares allocated thereto shall be assigned to and vested in the Manager in accordance with the provisions of this Deed by a separate deed.
  
- (i) The right to install in or affix to and use (or permit any person to install in or affix to and use) any part of the Common Areas for the installation, erection and maintenance of flue pipes, conduits, aerials and/or satellite dish installations (if any), apparatus, structures and/or other equipment relating to the broadcasting and/or reception of cable and/or satellite television and/or other telecommunication systems, plants, machinery and other apparatus or equipment (all of which, upon such installation or erection, shall form part of the relevant type of the Common Facilities) PROVIDED THAT prior written approval by a resolution of the Owners at an Owners' meeting convened under this Deed has been obtained and the exercise of this right shall not unreasonably affect the enjoyment of the Development by the Owners and occupiers thereof or unreasonably impede or restrict the access to and from

any part or parts of the Development, and in exercising the rights under this sub-clause, the Registered Owner and his successors or licensees shall, at all times, observe and comply with all the laws and regulations relating to the erection, maintenance and dismantling of signs, structures or other apparatus and obtain, if necessary, the prior written approval of the Director of Lands and/or any other appropriate Government authorities. Any consideration received for the approval by the Owners shall be credited to the Special Fund.

For the avoidance of doubt, the aforesaid rights may be exercised by the Registered Owner together with any other rights which the Registered Owner may also be entitled to exercise under Clause 11 of Section II of this Deed as the Owner of a Shop and such other rights shall be deemed to be incorporated in this Clause 8 in addition and without prejudice to the rights set out above.

9. In connection with the exercise of or incidental to the Registered Owner's rights mentioned in the preceding Clause 8 of Section II of this Deed, each Owner agrees that the Registered Owner may without joining the Owners sign and/or seal and execute such deed(s) or document(s) as it or they consider(s) necessary or desirable and each Owner do hereby irrevocably appoint the Registered Owner as his attorney (with full power of substitution and delegation and may act through such officers, employees, agents, nominees and any substitute attorneys as the attorney may from time to time appoint) to exercise effect and perform and/or to sign and/or seal and execute any deed(s) and document(s) on his behalf and as his act and deed to deliver such deed(s) and document(s) as shall be required in connection with the exercise of such rights by the Registered Owner to effectuate any of the aforesaid purposes and such Owner hereby covenants that he will ratify and confirm all that the Registered Owner as such attorney as aforesaid shall lawfully do or cause to be done by virtue of this Deed and that the power of attorney hereby given shall bind the executor or executors and the administrator or administrators and the successor or successors and assign or assigns of such Owner and shall not be revoked by the death incapacity or the winding up (as the case may be) of such Owner.

10. An Owner shall not assign alienate transfer or otherwise dispose of his Unit unless the relevant assignments, instrument in writing or document includes the following covenants:

“The Purchaser hereby covenants with the Vendor for itself and, if applicable, as agent for Joint View International Limited (and its successors assigns (other than the Purchaser) and attorneys all of whom are for the purpose of this paragraph collectively referred to as “Developer”) to the intent that these covenants shall run with the Property and be binding on the Purchaser his executors administrators successors in title and assigns and the owner or owners thereof for the time being and any other person or persons deriving title under the Purchaser (each and all of whom including the Purchaser is and are hereinafter included in the expression “the Covenanting Purchaser”) and shall enure for the benefit of the undivided share(s) of and in the Land and the Development held by the Vendor and/or (as the case may be) Developer and

be enforceable by the Vendor and/or (as the case may be) Developer that:

- (i) the Covenanting Purchaser grants confirms and acknowledges the rights liberty and privileges conferred on Developer as the Registered Owner under Clause 8 of Section II of the Deed of Mutual Covenant incorporating Management Agreement and the Covenanting Purchaser shall not do or permit anything to be done which will affect the exercise of the said rights liberty and privileges by Developer.
- (ii) The Covenanting Purchaser hereby appoints Developer acting singly to be its attorney (with full power of substitution and delegation and, who may act through such officers, employees, agents, nominees and any substitute attorneys as Developer may from time to time appoint) and grants unto Developer the full right power and authority to do all acts matters and things and to execute and sign seal and as the act of the Covenanting Purchaser deliver such deed and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights liberty and privileges conferred on Developer as the Registered Owner under Clause 8 of Section II of the Deed of Mutual Covenant incorporating Management Agreement as aforesaid and that the Covenanting Purchaser will ratify and confirm all that Developer shall lawfully do or cause to be done and that the power of attorney hereby given shall bind the executor(s) and the administrator(s) and the successor(s) and the assigns of the Covenanting Purchaser and shall not be revoked by the Covenanting Purchaser or by the death incapacity or the winding up (as the case may be) of the Covenanting Purchaser.
- (iii) the Covenanting Purchaser shall abide by the provisions in the Deed of Mutual Covenant incorporating Management Agreement as if the same terms and covenants on the part of the Covenanting Owner set out therein are made directly by the Covenanting Purchaser.
- (iv) The Covenanting Purchaser shall not assign alienate transfer or otherwise dispose of the Property unless the relevant assignment, instrument in writing or document includes the same binding covenants as the covenants (i), (ii), (iii) and (iv) herein contained

Provided that upon the Covenanting Purchaser complying with and performing the covenant (iv) hereinbefore contained the Covenanting Purchaser shall not be liable for any breach of the covenants (i), (ii) and (iii) hereinbefore contained which may happen after the Covenanting Purchaser shall have sold or otherwise disposed of the Property in respect whereof such purchaser or assignee shall have entered into such covenants similar in scope and extent as the covenants (i), (ii), (iii) and (iv) hereinbefore contained.”

11. For the avoidance of doubt and notwithstanding any provisions herein contained, an Owner of a Shop, or any part(s) thereof, shall have the right at any time(s) and from time to time as he shall think fit to do all or any of the following acts or deeds and to exercise all or any of the following rights:-

- (i) The right to partition and sub-divide the Shop, or any part(s) thereof, owned by him into such number of portions (subject to compliance with the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) and any other relevant ordinances, regulations and by-laws applicable thereto and to this Deed) as such Owner shall think fit.
- (ii) The right to allocate, re-allocate and/or sub-allocate the undivided shares and/or Management Shares to the Shop, or any part(s) thereof, provided that the allocation of the undivided shares and/or Management Shares will be calculated by reference to the gross floor area of the Shop concerned and, PROVIDED THAT the exercise of this right shall not interfere with another Owner's right to hold, use, occupy and enjoy the part of the Shop which he owns.
- (iii) Subject to Clause 16 of Section X of this Deed, the right to enter into one or more sub-deed(s) of mutual covenant in respect of the Shop, or any part(s) thereof, with any other Owner or Owners of the sub-divided portion(s) of the Shop, or any part(s) thereof, to regulate and define their rights and obligations Provided That no such sub-deed(s) of mutual covenant shall conflict with any provision hereof or any conditions of the Government Grant or any other sub-deed(s) of mutual covenant.
- (iv) The right to allocate lavatories or other areas or facilities within the Shop, or any part(s) thereof, for the exclusive use of any sub-divided portion(s) of the Shop, or any part(s) thereof PROVIDED THAT the exercise of this right shall not interfere with another Owner's right to hold, use, occupy and enjoy the part of the Shop which he owns.
- (v) The right to designate or re-designate or alter the user of Shop, or any part(s) thereof, without the concurrence or approval of any other Owners or other person having an interest in the Land and the Development and no such designation, re-designation or alteration shall give the other Owners any right of action against such Owner but nothing herein shall absolve such Owner from the requirements of obtaining the prior written consent of the Government pursuant to the Government Grant (if necessary) and/or other Government authorities and Provided always that such designation, re-designation or alteration shall not contravene the Government Grant and shall be subject to the provisions of this Deed.
- (vi) Subject to the prior approval of the Manager in writing, the right to

erect and exhibit Signs on the external walls and/or the enclosing walls of the Shop or any part or parts thereof in such manner as the Owner thinks fit without the concurrence or approval of the other Owners. Nothing herein however shall absolve such Owner from the requirements of obtaining the approval (if necessary) of the Building Authority or any other statutory or Government authorities pursuant to the Government Grant or any applicable Ordinance. For the purpose of exercising its right herein, the Owner shall have the right to :-

- (a) add to or amend the Plans or any plan or proposal (if any) prepared or which requires approval under the Government Grant or any law;
  - (b) apply to the Government for, and negotiate and agree with the Government on, any variation or modification of the Government Grant or any provision thereof, or to obtain any approval, waiver or no-objection by the Government relating to any provision thereof;
  - (c) execute any document relating to such variation, modification, approval, waiver or no-objection in the name of the Owner without joining in any other Owner;
  - (d) obtain all necessary approvals under the Government Grant or the law; and
  - (e) carry out any works.
- (vii) Subject to the provisions of this Deed, the House Rules and the Fitting Out Rules, the right to make or install in the Shop at his own expense any partitions, additions, improvements, lights, fittings, fixtures or decorations which can be installed, fixed and removed without structural alteration or damage and without affecting the existing design or external appearance of the façade or elevations of any building and the right to remove the same at his own expense.
- (viii) Subject to the provisions of this Deed, the House Rules and the Fitting Out Rules, the right to alter, re-arrange or demolish the interior structure of such Shop or any part thereof owned by him and to replace or construct or re-construct the same and/or any interior structure in such manner as such Owner thinks fit without the concurrence or approval of the other Owners but nothing herein shall absolve such Owner from the requirements of obtaining the prior written consent of the Director of Buildings and any other statutory Government Authorities pursuant to the Government Grant.

### SECTION III

#### EASEMENTS RIGHTS AND PRIVILEGES THE BENEFIT OF WHICH IS HELD WITH EACH RESIDENTIAL UNIT OR SHOP

A. Residential Units

1. The Owner of a Residential Unit shall have the benefit of the following easements, rights and privileges subject to the provisions of this Deed, the House Rules and subject to the rights of the Registered Owner and the Manager and to the payment by the Owner of his due proportion of the management expenditure :

- (a) Full right and liberty for the Owner for the time being, his tenants, servants, agents, lawful occupants and licensees (in common with all persons having the like right) to go pass or repass, over and along the Residential Common Areas and the Development Common Areas and to use the Residential Common Facilities and the Development Common Facilities for all purposes connected with the proper use and enjoyment of such Residential Unit.
- (b) The right to subjacent and lateral support and to shelter and protection from the other parts of the Development.
- (c) The free and uninterrupted passage and running of water, sewage, gas, electricity, ventilation, telephone and various other services from and to the Residential Unit owned by the Owner through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be, in, under or passing through such Residential Unit or the Development or any part or parts thereof for the proper use and enjoyment of the Residential Unit owned by the Owner.
- (d) The right for any Owner with or without workmen plant equipment and materials at all reasonable times after obtaining (except in the case of emergency) the consent of the Manager or (as the case may be) the Owner of the relevant Unit (which consent shall not be unreasonably withheld) to enter upon other parts of the Land and the Development as may be necessary for the purpose of carrying out any works for the maintenance and repair of his Residential Unit (such work not being the responsibility of the Manager under this Deed and which cannot practically be carried out without such access) causing as little disturbance as possible and forthwith making good any damage caused thereby.

2. The Owners of the Residential Units shall have no right to enter upon any part of the Land and the Development save as expressly herein provided, it being understood that all work necessary for the maintenance and repair of the Land and the Development as a whole shall be carried out by the Manager who shall have the right to enter in or upon any part of the Land and/or the Development for that purpose as herein provided.

B. Shop(s)

1. The Owner of a Shop shall have the benefit of the following easements, rights and privileges subject to the provisions of this Deed, the Fitting Out Rules, the House Rules and subject to the rights of the Registered Owner and the Manager and to the payment by the Owner of his due proportion of the management expenditure :

- (a) Full right and liberty for the Owner of a Shop for the time being, his tenants, servants, agents, lawful occupants and licensees (in common with all persons having the like right) to go pass or repass, over and along the Development Common Areas and to use the Development Common Facilities for all purposes connected with the proper use and enjoyment of such Shop.
- (b) The right to subjacent and lateral support and to shelter and protection from the other parts of the Development.
- (c) The free and uninterrupted passage and running of water, sewage, gas, electricity, ventilation, telephone and various other services from and to the Shop owned by the Owner through the sewers, drains, watercourses, cables, pipes and wires which now are or may at any time hereafter be, in, under or passing through such Shop or the Development or any part or parts thereof for the proper use and enjoyment of the Shop owned by the Owner.
- (d) The right for any Owner with or without workmen plant equipment and materials at all reasonable times after obtaining (except in the case of emergency) the consent of the Manager or (as the case may be) the Owner of the relevant Unit (which consent shall not be unreasonably withheld) to enter upon other parts of the Land and the Development as may be necessary for the purpose of carrying out any works for the maintenance and repair of his Shop owned by the Owner (such work not being the responsibility of the Manager under this Deed and which cannot practically be carried out without such access) causing as little disturbance as possible and forthwith making good any damage caused thereby.

2. The Owner(s) of the Shop(s) shall have no right to enter upon any part of the Land and the Development save as expressly herein provided, it being understood that all work necessary for the maintenance and repair of the Land and the Development as a whole shall be carried out by the Manager who shall have the right to enter in or upon any part of the Land and/or the Development for that purpose as herein provided.

3. For the avoidance of doubt, the Owner(s) of the Shop(s) shall have no right to use the Recreational Facilities.

## SECTION IV

### EASEMENTS, RIGHTS AND PRIVILEGES SUBJECT TO WHICH EACH RESIDENTIAL UNIT OR SHOP IS/ARE HELD

#### A. Residential Units

The following are the easements rights and privileges subject to which each undivided share and the exclusive right to hold use occupy and enjoy each Residential Unit is held:

- (a) The Manager shall have full right and privilege at all reasonable times subject to reasonable prior written notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into go pass or repass over along and upon each Residential Unit for the purposes of effecting necessary repairs to the Development and installing, inspecting, examining and maintaining the Common Areas or the Common Facilities of in under adjacent or adjoining to such Residential Unit or any other apparatus and equipment used or installed for the benefit of the Land and the Development or any part or parts thereof as part of the amenities thereof or to abate any hazard or nuisance which does or may affect the Common Areas or the Common Facilities or other Owners Provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Units and shall at his own costs and expense make good any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, his staff and contractors.
- (b) Easements, rights and privileges of the Owners of other Residential Units under Clause A(1) of Section III hereof.
- (c) Easements, rights and privileges of the Owner(s) of the Shop(s) under Clause B(1) of Section III hereof.
- (d) Easements, rights and privileges of the Registered Owner under Clause 8 of Section II hereof.

#### B. Shop(s)

The following are the easements rights and privileges subject to which each undivided share and the exclusive right to hold use occupy and enjoy each Shop is held:

- (a) The Manager shall have full right and privilege at all reasonable times on prior written notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into go pass or repass over along and upon each Shop for the purposes of effecting necessary repairs to the Development and installing, inspecting, examining and maintaining the

Common Areas or the Common Facilities of in under adjacent or adjoining to such Shop or any other apparatus and equipment used or installed for the benefit of the Land and the Development or any part or parts thereof as part of the amenities thereof or to abate any hazard or nuisance which does or may affect the Common Areas or the Common Facilities or other Owners Provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Unit and shall at his own costs and expense make good any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, his staff and contractors.

- (b) Easements, rights and privileges of the Owner(s) of other Shop(s) (if any) under Clause B(1) of Section III hereof.
- (c) Easements rights and privileges of the Owners of the Residential Units under Clause A(1) of Section III hereof.
- (d) Easements, rights and privileges of the Registered Owner under Clause 8 of Section II hereof.

C. Provisions applicable to all Owners

1. The Manager shall have full right and authority to control and manage the Common Areas and the Common Facilities or any part thereof subject to the provisions of this Deed and the Government Grant.
2. The Manager shall, subject to the covenants and conditions in the Government Grant and the restrictions in the Occupation Permit, also have full right and authority to set aside any part of the Common Areas for specific use provided that such specific use shall be for the benefit of the Development and the Owners concerned.
3. The Land and the Development shall be subject to the rights for, inter alia, the owners and occupiers for the time being of the adjoining premises to go pass and repass over through and along the scavenging lane(s) as mentioned in the Various Assignments in so far as such rights are still subsisting.
4. The Land and the Development shall also be subject to use of the scavenging lane as mentioned in the Deed of Covenant, including but not limited to, the obligation to keep the scavenging lane unobstructed and properly surfaced drained and channeled, in so far as such use is still subsisting.

SECTION V

COVENANTS PROVISIONS AND RESTRICTIONS TO BE OBSERVED  
AND PERFORMED BY THE OWNERS

A. Covenants provisions and restrictions to be observed and performed by the Owners

1. Every Owner on ceasing to be the Owner of any Unit of the Development shall forthwith notify the Manager in writing of such cessation and of the name and address of the new Owner and without prejudice to the liability of the new Owner, every such Owner shall remain liable for all sums payable in accordance with the provisions of this Deed and for the observance and performance of the terms and conditions hereof up to the date of such cessation.

2. Each Owner shall promptly pay and discharge all existing and future taxes rates assessments and outgoings of every kind and description for the time being assessed or payable in respect of the Unit owned by him and shall indemnify the other Owners from and against all liability therefor. Without limiting the generality of the foregoing, if any Unit shall have its own separate government water meter, then the water charges for the supply of water to such Unit shall be paid by the Owner thereof, but if two or more Units share the same government water meter, the water charges for the supply of water to such group of Units shall be shared and paid by the Owners thereof in proportion to the number of such Units for the time being owned by such Owners.

3. Each Owner shall pay to the Manager on the due date his due proportion of the management expenditure and Special Fund as hereinafter provided.

4. No Owner shall make or allow to make any structural alterations or additions to the Unit owned by him which may damage or affect the rights of other Owners or interfere with the use and enjoyment of any other part or parts of the Development whether in separate or common occupation nor shall the Manager make any structural alterations to any part of the Development which will interfere with or adversely affect the rights of Owners. No Owner shall use cut injure alter or interfere with any part or parts of the Common Areas or any of the Common Facilities or any equipment or apparatus on in or upon the Land or the Development not being equipment or apparatus for the exclusive use and benefit of any individual Owner. An Owner shall not be prevented from taking legal action against another Owner in respect of a breach of this Clause.

5. No Owner shall permit or suffer to be done any act or thing in contravention of the covenants and conditions in the Government Grant under which the Land is held from the Government or whereby any insurance on the Development or any part thereof may become void or voidable or whereby the premium for any such insurance may be increased and in the event of any breach of this Clause by an Owner in addition to any other liability incurred thereby such Owner shall pay the amount of any increase in premium caused by or on account of such breach. In the event of the Development or any part thereof being damaged or

destroyed by fire or other perils at any time and the insurance money under any insurance against fire or such perils effected thereon being wholly or partially irrecoverable by reason solely or in part of any act or default of such Owner as aforesaid, then and in such event, such Owner shall pay to the other Owners the whole or (as the case may be) a fair proportion of the cost of completely rebuilding or reinstating the same.

6. Each Owner shall be responsible for and shall indemnify the Manager all other Owners and occupiers of any part of the Development against all actions proceedings claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of such Owner or any occupier of any part of the Development owned by him or any person using such part of the Development with his consent express or implied or by or through or in any way owing to the overflow of water gas or other effluent therefrom.

7. Each Owner shall be responsible to the Manager and the other Owners for the time being for the acts and omissions of all persons occupying with his consent express or implied the Unit owned by him and shall pay all costs charges and expenses incurred in repairing or making good any loss or damage caused by the act neglect or default of any such person. In the case of loss or damage which the Manager is responsible to make good or repair, such costs charges and expenses shall be recoverable by the Manager as hereinafter provided and in the case of loss or damage suffered by other Owners or occupiers of any part of the Development which the Manager is not responsible to repair or make good, such costs charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

8. No Owner shall at any time exercise or attempt to exercise any statutory or common law right to partition the Land and the Development.

9. No Owner shall do or permit or suffer to be done and each Owner shall take all possible steps to prevent his tenants occupiers or licensees from doing any act deed matter or thing which in any way interferes with or affects or which is likely to interfere with or affect the maintenance of the Development.

10. Each Owner shall notwithstanding the obligations of the Manager to maintain the Development keep the Unit (including, without limitation, the Green and Innovative Features forming part of such Units) in respect of which he is entitled to exclusive possession use and/or enjoyment and those fixtures fittings services or facilities which exclusively serve the same whether or not they are located inside his Unit in good repair and condition and shall maintain the same to the satisfaction of the Manager and in a manner so as to avoid any loss damage nuisance or annoyance to the Owners or occupiers of any other part or parts of the Development. The expenses of keeping in good and tenantable repair and condition the interior of each Unit (including, without limitation, the Green and Innovative Features forming part of such Unit) and all the fixtures and fittings and all plumbing and other utility fittings and services therein or appertaining thereto (whether or not they are located inside or outside the Unit) and all the windows, window frames and window glass and all the Non-enclosed Areas (if any), curtain walls (if any) and doors thereof shall be borne by such Owner

who is entitled to the sole and exclusive use occupation and enjoyment thereof.

11. No partitioning shall be erected or installed which does not leave clear access for fire exits and no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

12. No Owner shall use or permit or suffer his Unit to be used for any illegal or immoral purpose and no Owner shall use or permit or suffer the Unit owned by him to be used for any purpose other than that permitted by the Government Grant and the Building Authority and in accordance with any applicable Ordinance or other Regulations or any Government or other permit consent or requirement from time to time applicable thereto and in particular no Owner shall use or permit or suffer any part of the Development to be used as a mahjong school, funeral parlour, coffin shop, Buddhist hall or for the performance of the ceremony known as "Ta Chai ( 打 齋 )" or as a boarding house, guest house, hotel apartment or for any form of commercial letting in bed spaces or cubicles or as hostel, hostel for the elderly, or pawn shop or for any offensive trade or business or cause or permit or suffer to be done any act or thing in his Unit which may be in contravention of the terms and conditions in the Government Grant or become a nuisance or annoyance to or cause danger to the other Owners or occupiers for the time being of any other part or parts of the Development.

13. No part of the Common Areas shall be obstructed or incumbered nor shall any articles boxes material refuse or any other matter or things be placed or left thereon nor shall any part of such Common Areas be used for any business or private purpose and no Owner will do or suffer or permit to be done anything in such Common Areas as may be or become a nuisance or cause annoyance to any other Owners or occupiers of the Development.

14. The refuse storage and material recovery chamber and/or garbage disposal areas (if any) shall be used only in the manner prescribed by and subject to the House Rules.

15. No Owner shall have the right to enter into any areas housing the Common Facilities or to alter repair connect to or in any other way interfere with or affect the working of the Common Facilities without the prior written consent of the Manager and Provided that prior written notice is given to the Manager and the least disturbance is caused and any damage caused thereby shall be made good by the Manager at the expense of such Owner.

16. No Owner shall be entitled to connect to any aerial or other antenna installed by the Manager except with the permission of the Manager and in accordance with any House Rules relating to the same. No Owner shall affix or install his own private aerial or antenna outside any part of the Development.

17. No Owner shall do or permit to be done any act or thing which may or will alter the external appearance of the Development or any part thereof or the exterior or external appearance of any Unit and in particular no external shades, awnings, fences, metal grilles, partitions or any other structure or thing shall be placed, installed, exhibited, affixed, erected or attached or caused or permitted to remain in, about, on or at any part of the external wall, flat roofs, roof(s), upper roof(s) or top roof(s) of the Development or any part thereof

nor shall any Owner, without the prior consent in writing of the Manager, carry out any repair, decoration, alteration or works to his Unit, or any part thereof, that may alter or affect the external appearance or the original design of the façade of any Unit.

18. Save and except for the rights and privileges reserved and otherwise provided in this Deed, no external signs signboards notices advertisements flags banners poles cages brackets flowers shelves or other projections or structures whatsoever extending outside the exterior of the Development shall be erected installed or otherwise affixed or projected from the Development or any part thereof without the prior written consent of the Manager and (if necessary) the relevant Government Authorities and no Owner shall erect affix install or attach or permit or suffer to be erected affixed installed or attached in or on external part of or to be displayed from any Unit any advertising or other sign of any description without the prior written approval of the Manager and (if necessary) the relevant Government Authorities.

19. No Owner shall throw out or discard or permit or suffer to be thrown out or discarded from any part of the Development owned by him any refuse rubbish litter or other article or thing whatsoever except in the course of the proper disposal thereof and in using the facilities for such disposal provided by the Manager.

20. All Owners (including the Registered Owner) as long as they remain Owners shall at all times observe and perform the House Rules and comply with the conditions of the Government Grant.

21. Subject to the terms of this Deed, each Owner may at his own expenses install in the Unit owned by him additions improvements fixtures fittings and decoration and may remove the same Provided however that no such installation or removal shall cause any structural damage or interfere with the proper enjoyment and use of any other part of the Development.

22. Clothing or laundry shall not be hung outside any Unit (other than in the spaces specifically provided therefor) or in the Common Areas.

23. No Owner shall do or suffer or permit to be done anything whereby the flushing or drainage system of the Development may be clogged or the efficient working thereof may be impaired or the supply of water, electricity or gas shall be affected or likely to be affected.

24. No Owner shall store or permit or suffer to be stored in the part of the Development owned by him or in any other area any hazardous dangerous explosive or combustible goods or materials except such as may be permitted by licence issued by the Fire Services Department under the Dangerous Goods Ordinance or other competent authority concerned and in any event only with the prior written approval of the Manager.

25. No Owner shall obstruct the access to the means of escape in any flat roofs, upper roofs, roof(s), upper roof(s), top roof(s), staircases, entrance foyers, smoke lobbies, lift

lobbies or any other areas, be those Common Areas or not, which shall at all times remain open and unobstructed in compliance with the Fire Services Ordinance (Cap.95 of the Laws of Hong Kong), the Code of Practice for the Provision of Means of Escape in case of fire, the Buildings Ordinance (Cap.123 of the Laws of Hong Kong) or other relevant Government Ordinances or regulations (collectively "Relevant Regulations"). In case the access is being obstructed, the Manager shall have the power to restore the access to the condition required to comply with Relevant Regulations at the expense of the Owner in default. Without prejudice to any other provisions in this Deed, the Owner(s) for the time being of any flat roof(s), roof(s), upper roof(s), top roof(s) or entrance foyer(s) shall not erect affix or install or cause or allow to be erected affixed or installed any structure on such flat roof(s), roof(s) or entrance foyer(s) save and except with the prior written approval of the Manager and (if necessary) the relevant Government Authorities.

26. No Owner shall permit or suffer to be erected affixed installed or attached in or on or at the door or doors or entrance or entrances of any Unit any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other competent authorities concerned from time to time in force or impede the free and uninterrupted passage over the Common Areas by the other Owners subject to and in accordance with the provisions of this Deed. In any case, any metal grille or shutter or gate shall be of such design and material as shall be reasonably approved by the Manager.

27. No Owner shall cause any damage to or interfere in any way with the Common Areas and/or the Common Facilities.

28. No Owner shall do anything in the Development whereby excessive noise vibration or resonance or other form of disturbance is created to the detriment of the Development or other persons in or outside the Land Provided that the determination of the Manager as to whether any such noise vibration or resonance or other form of disturbance is excessive shall be conclusive.

29. No Owner shall alter or permit or suffer to be altered any part of the sprinkler system, the fire fighting equipment or the fire prevention system installed in any part of the Development except that such alteration shall be carried out by the Manager or a registered contractor appointed or nominated or approved by the Manager at the expense of such Owner causing the alteration in accordance with the Fire Service (Installation Contractors) Regulations and with the prior approval of the Manager and the Fire Services Department.

30. (a) No Owner shall install any air-conditioning unit fitting or plant or any other fitting or fixture through the windows or external walls or curtain walls of the Development (except in positions already provided for such purpose) without the prior written consent of the Manager and (if necessary) the relevant Government Authorities to any such installations and the conditions of such consent having been complied with.

(b) (other than air-conditioning unit(s) installed at the positions or locations as provided in, and in compliance with the provisions of, sub-clause (a) of this

Clause 30) no Owner shall at any time relocate or place any air-conditioning unit otherwise than as aforesaid.

31. No Owner shall use the Common Areas or any part thereof for the purpose of drying laundry or hanging or placing or storing any dustbins garbage cans furniture machinery goods or chattels or other things thereon or therein.

32. No Owner shall install any furnace boiler or other plant or equipment or use any fuel in any part of the Development that might in any circumstance produce smoke, gas, liquid, solid or otherwise or that may constitute a breach of the provisions of the Government Grant or any Ordinance or any amendment thereof.

33. Each Owner shall comply with and observe all Ordinances, bye-laws, regulations and rules for the time being in force in Hong Kong, including but not limited to those governing the control of any form of pollution (including noise and water pollution), whether aerial or otherwise, and for the protection of the environment.

34. No Owner shall discharge or permit or suffer to be discharged unto any public sewer, storm-water drain or channel any trade effluent or foul or contaminated water or cooling water without the prior written consent of the Manager and the Director of Environmental Protection.

35. Each Owner shall at his own expense and to the satisfaction of the Director of Fire Services provide access for fire appliances and fire personnel to the Land and the Development and shall permit access thereof for such purposes and at such time or times as the said Director may require. Each Owner shall throughout the term of the Government Grant maintain the said access at his own expense and to the satisfaction for the said Director.

36. Each Owner shall observe and perform all the covenants agreements and conditions contained in the Government Grant and on the part of the Owner to be observed and performed so far as the same relate to the undivided shares of the Land and the part of the Development owned by such Owner and such Owner shall from time to time and at all times keep the other Owners of the Development fully indemnified from and against all proceedings costs claims and expenses on account of any failure to perform and observe any of the said covenants agreements and conditions so far as they relate as aforesaid.

37. All complaints touching or concerning the Land and the Development shall be made in writing to the Manager.

38. The Owners shall at their own expenses maintain and carry out all works in respect of the Slopes and Retaining Walls as required by the Government Grant and in accordance with "Geoguide 5-Guide to Slope Maintenance" issued by the Geotechnical Engineering Office (as amended or substituted from time to time) and the Maintenance Manual(s) for the Slopes and Retaining Walls prepared in accordance with Geoguide 5. A copy of such Maintenance Manual(s) is deposited with the management office and is available for inspection by the Owners. A copy of such Maintenance Manual(s) shall be

supplied to each Owner on request at his expense. All charges received shall be credited to the Special Fund.

39. (a) No Owner (including the Registered Owner) may convert any of the Common Areas to his own use or for his own benefit unless the approval of the Owners' Committee has been obtained. Any payment received for the approval must be credited to the Special Fund.
- (b) Subject to the following sub-clause (c), no Owner (including the Registered Owner) will have the right to convert or designate any of his own areas (that is areas to which he is entitled to exclusive use, occupation or enjoyment) as Common Areas unless the approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained. No Owner (including the Registered Owner) and no Manager will have the right to re-convert or re-designate the Common Areas to his or its own use or benefit save as otherwise provided for when the area in question was so converted or designated.
- (c) Notwithstanding the preceding sub-clause (b), an Owner may convert or designate any of his own areas as Common Areas for the common use or benefit of some but not all the Owners ("the Affected Owners"); and in that event, only the approval of the Affected Owners will be required Provided That no expenses for the maintenance or management of such Common Areas shall be borne or paid by any other Owners who do not share in the common use or benefit thereof. The Affected Owners may not reconvert or re-designate any such Common Areas to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated.
40. No Owners shall erect or make on the Land or Development or any part thereof any grave or columbarium, nor shall any human remains or animal remains whether in earthenware jars, cinerary urns or otherwise be interred therein or deposited thereon.
41. The Owner of any flat roof shall not:
- (a) erect, affix or place or cause or permit or suffer to be erected, affixed or place any structure or chattels whatsoever whether of a permanent or temporary nature on the walls of flat roof or any part of such walls; or
- (b) enclose or cause or permit or suffer to be enclosed any brackets, sockets or parts used or intended to be used in connection with any gondola(s), gondola system(s) or building maintenance unit(s).
42. The Owner of any roof and/or flat roof shall at all reasonable times subject to prior written notice (except in an emergency) given by the Manager provide free and uninterrupted access to the Manager or its agents (i) for the affixing of the gondola to the said brackets,

sockets or parts and operation and running of the gondola(s), gondola system(s) and building maintenance unit(s) and associated equipment and (ii) to affix, install, operate, manoeuvre, use, repair, maintain, clean the said brackets, sockets or parts and/or gondola(s), gondola system(s) and building maintenance unit(s) and associated equipment over and/or along the roof and/or flat roof or any part thereof for the purposes of inspecting, upgrading, rebuilding, repairing, renewing, maintaining, cleaning, painting or decorating the exterior walls or any parts of the Development Provided that the right of the Owner of the roof and/or flat roof to hold, use, occupy and enjoy his Unit and its flat roof shall not be interfered with and Provided Further that the Manager shall make good all damage caused by or arising from the exercise of such access and shall be liable for the negligent, wilful or criminal acts of its agents.

43. The Owner of a Unit shall, at its own costs and expenses, keep and maintain, in good and safe condition, the openable windows in curtain walls, the interior and exterior surfaces of curtain walls and any window and frames appertaining to such Unit owned by him. In addition and without prejudice to any other rights of the Manager under this Deed, the Manager shall have full right and privilege at all reasonable times, subject to reasonable prior written notice (except in the case of emergency), with or without agents, surveyors, workmen and others, and with or without tools, equipment and apparatus, to enter into each Unit for the purposes of inspecting and examining such curtain wall(s) of the Unit Provided that the Manager shall make good all damage caused by or arising from the exercise of such entry and shall be liable for the negligent, willful or criminal acts of its agents. Without prejudice to any other provisions in this Deed, no Owner shall replace, remove, affix or install or cause or allow to be replaced, removed, affixed or installed any window from any Residential Unit or any part thereof without the prior written approval of the Manager. Any such approval may be given subject to such conditions as the Manager may specify and shall be subject to revocation on reasonable notice.

44. The covenants, provisions and restrictions set out in this Sub-Section A shall be subject to and without prejudice to the rights reserved to the Registered Owner under Clause 8 of Section II of this Deed and the rights reserved to the Owner(s) of the Shop(s) under Clause 11 of Section II of this Deed.

**B. Covenants and provisions applicable to Owners of Residential Units**

1. Without prejudice to the other provisions of this Deed, no Residential Unit shall be used for any purpose other than for private residential purposes and in particular no Residential Unit shall be used as a boarding house, apartment house, dance hall, ballroom or for any form of commercial letting or occupancy in bed spaces or cubicles or as hostel or the like. No partitioning shall be erected or installed which does not leave clear access for fire exits and no windows shall be wholly or partially blocked or the light and air therefrom in any way obstructed.

2. No Owner shall erect or place or cause or permit to be erected or placed any advertising sign or structure on the flat roofs or roof(s) or upper roof(s) or top roof(s) of the Development or any part thereof and the Manager shall have the right to enter and to remove anything erected or placed on the flat roofs or roof(s) or upper roof(s) or top roof(s) of the

Development or any part thereof in contravention of this provision at the cost and expenses of the Owner.

3. No Owner shall erect, affix, install or attach or permit or suffer to be erected, affixed, installed or attached in or on or to be displayed from any Residential Unit or any part thereof (whether interior or exterior) or any window of such Residential Unit or curtain walls any advertising or other sign of any description without the previous written approval of the Manager.

4. Water closets and other water apparatus in the Development shall not be used for any purpose other than those for which they were constructed, nor shall any rubbish, rags or any other articles be thrown into the same. Any damage resulting from misuse of any water closets or apparatus shall be paid for by the Owner or occupier in whose Residential Unit it shall have been caused.

5. No Residential Unit or any part thereof shall be used for the storage of goods or merchandise other than the personal and household possession of the Owner or occupier.

6. Bicycles, baby carriages or similar vehicles shall not be allowed to stand in any passageways or the Common Areas.

7. Birds, cats or pets or other animals or fowls can only be kept or harboured in any Residential Unit or any part thereof subject to and in accordance with the House Rules. No dogs shall be kept in any Residential Unit if Owners of more than 2 Residential Units have lodged their complaints to the Manager.

8. (a) The Owner of the Non-enclosed Areas shall keep the interior of such Non-enclosed Areas in good and substantial repair and condition and shall use the same in all respects in compliance with this Deed, the Occupation Permit, the Buildings Ordinance and such other Ordinances, by-laws and Government regulations of the Hong Kong Special Administrative Region.

(b) The Owner of the Non-enclosed Areas shall not erect or affix or cause or permit or suffer or allow to be erected or affixed any wall or partition of any material whether of a permanent or temporary nature on the Non-enclosed Areas or any part thereof.

(c) The Owner of the Non-enclosed Areas shall not cause, permit, suffer or allow the Non-enclosed Areas to be enclosed above parapet height by any material of whatsoever kind or nature, or affixed with sun shades, awnings, or rackets of whatsoever nature, it being the obligation of such Owner to keep and maintain the Non-enclosed Areas in the design and layout as drawn under the Plans.

9. No Owner shall construct illegal structures on any flat roof(s) or roof(s) or upper roof(s) or top roof(s) of the Development of whatsoever nature that contravene any

Ordinances, by-laws or regulations promulgated by the Government from time to time.

10. No clothing or laundry shall be hung outside the Residential Unit or on any flat roof or Non-enclosed Areas or air-conditioning platform or any part thereof (other than in the spaces specifically provided therefor) or in the Common Areas.

11. No Owner shall make or allow to make any alterations or additions to the entrance foyer (if any) of the Residential Unit owned by him nor cut injure alter or interfere with any facilities, equipment or apparatus on in or upon such entrance foyer (if any) except with the prior written consent of the Manager. Each Owner of the Residential Unit shall, at its own costs and expenses, keep, maintain and replace the entrance foyer of the Residential Unit owned by him and the facilities, equipment or apparatus on in or upon such entrance foyer in accordance with the requirements laid down under the Fire Services Ordinance or other relevant Government Ordinances or regulations. In addition and without prejudice to any other rights of the Manager under this Deed, the Manager shall have full right and privilege at all reasonable times subject to reasonable prior written notice (except in the case of emergency) with or without agents, surveyors, workmen and others to enter into each Residential Unit with entrance foyer for the purposes of meter reading, inspecting and examining such entrance foyer of the Residential Unit and the facilities, equipment or apparatus on in or upon such entrance foyer Provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Units and shall make good any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, his staff and contractors.

12. No Owner shall permit or suffer to be erected affixed installed or attached in or on or at the door or doors or entrance or entrances of any Residential Unit any metal grille or shutter or gate.

13. (a) Each Owner of the Residential Unit shall at their own expense observe and comply with the Fire Safety Management Plan. A copy of the Fire Safety Management Plan is deposited with the management office and is available for inspection by the Owners. A copy of such Fire Safety Management Plan shall be supplied to each Owner on request at his expense. All charges received shall be credited to the Special Fund. Without prejudice to the generality of but in addition to the foregoing, each Owner of the Residential Unit shall observe and comply with the following provisions:

- (i) to maintain the coverage of sprinkler protection of the open kitchen area in his Residential Unit as specified in the Fire Safety Management Plan;
- (ii) to display conspicuously in his Residential Unit a permanent notice which notice shall be in such form and substance as may be specified in the Fire Safety Management Plan or by the Manager or the relevant Government authority or authorities from time to time;
- (iii) to install and use in his Residential Unit the types of fire services

installations (including the sprinkler, fire rated barriers and smoke detector) specified in the Fire Safety Management Plan but not otherwise and to maintain and keep such fire services installations in good order and condition and not to alter, demolish, remove or relocate or do anything which may damage or interfere with any such installations, their power connection or their connection with any other fire alarm or fighting system in the Development or the normal functioning thereof;

- (iv) to let, lease, license or otherwise part with possession of his Residential Unit upon the condition that the tenant(s), lessee(s), licensee(s) or occupier(s) thereof shall agree to observe and comply with the provisions contained in this Deed relating to and/or applicable to the Residential Units;
  - (v) no alteration or removal of 600 mm (W) fire rated barrier, sprinklers and smoke detectors in each Residential Unit is permitted without the approval of the Buildings Department or Fire Services Department or any relevant Governmental authorities and the Manager's prior approval in writing.
- (b) The Manager shall on behalf of the Owners of the Residential Units carry out and implement the plans relating to maintenance, staff training, fire action, fire service intervention and fire prevention as set out in the Fire Safety Management Plan. Without limiting the generality of the foregoing, the Manager is hereby given full authority by the Owners of the Residential Units to engage or employ registered fire service installation contractors for the inspection, testing, keeping and maintaining in good substantial repair and condition, and carrying out any necessary works in respect of the fire safety provisions for open kitchen as specified in and in accordance with the Fire Safety Management Plan.
- (c) The Manager and the registered fire service installation contractors engaged by the Manager shall have the power to enter with or without workmen, equipment or materials at all reasonable times on reasonable notice (except in an emergency when no notice is required) any Residential Unit to carry out regular testing or maintenance of the fire services installations thereon (at the costs of the Owner of that Residential Unit) or verify observance and compliance of provisions referred to in Sub-clause (a) above Provided that the Manager shall make good all damage caused by or arising from the exercise of such entry and shall be liable for the negligent, willful or criminal acts of its employees, contractors or agents.
- (d) The Registered Owner shall lodge or cause to be lodged a set of Plans showing the Residential Units and certified by the Authorized Person with the management office.

- (e) The Manager shall prepare a separate management budget for the carrying out and implementation of the plans of the Fire Safety Management Plan and the fire services system serving the Residential Units exclusively. The Owner of each Residential Unit shall pay to the Manager his due share of the budgeted expenses for carrying out and implementation of the plans of the Fire Safety Management Plan and the said fire services system on a monthly basis in accordance with and in proportion to the Management Shares allocated to his Unit.

14. The covenants, provisions and restrictions set out in this Sub-Section B shall be subject to and without prejudice to the rights reserved to the Registered Owner under Clause 8 of Section II of this Deed and the rights reserved to the Owner(s) of the Shop(s) under Clause 11 of Section II of this Deed.

C. Covenants and Provisions Applicable to Owner(s) of Shop(s)

1. Subject to the rights and privileges reserved unto the Registered Owner, the Shop(s) shall only be used for commercial purposes for which it/they is/are intended. Save with the prior written consent of the Manager, no industrial machines shall be kept installed or maintained therein and no person shall be permitted to reside therein.

2. The design of a shop front shall first be approved by the Manager in writing. No Owner of a Shop intended to be used as a shop shall alter the design of the shop front as originally approved by the Manager without the Manager's prior written consent.

3. Notwithstanding anything contained in this Deed, an Owner of a Shop may exhibit within its own shopfront advertising signs, name plates or lamp plates in relation to his business provided that the specifications and design are first approved in writing by the Manager on such terms and conditions as the Manager deems fit, and provided they do not extend beyond the external boundary of such Unit and the height of the Shop and do not cause nuisance or annoyance to the occupants of any neighbouring premises. Each such Owner shall be solely responsible for and shall indemnify all other Owners, the Registered Owner and the Manager from all actions, proceedings, claims, demands, costs and expenses arising directly or indirectly from the affixing, installation, use or removal of any sign or plate exhibited on or from his Unit or any defect therein or non-repair thereof.

4. No Owner shall use any Shop for carrying on any business or trade in contravention of any of the provisions of the Government Grant or in contravention of any restriction or prohibition imposed by any appropriate Government authority.

5. The installation of and repair to the electrical wiring from the switch rooms to any Shop shall be carried out by the Manager or any contractor appointed or approved by the Manager at the expense of the Owner thereof and in such manner as the Manager shall in its absolute discretion think fit.

6. No Owner shall place on any part of the floors of any Shop any machinery

goods or merchandise which may cause the maximum floor loading-bearing capacity thereof to be exceeded and in the event of breach of this covenant the Owner shall make good any damage caused thereby to that part of the Development or any fixtures and fittings therein provided that the making good of such damage as aforesaid shall be without prejudice to any further right which may be exercised by the Manager by virtue of such breach.

7 . The Owner(s) of the Shop(s) shall at all times observe and perform the Fitting Out Rules.

8 . No Owner shall permit or suffer to be erected affixed installed or attached in or on or at the door or doors or entrance or entrances of the Shop(s) any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other competent authorities concerned from time to time in force. In any case, any metal grille or shutter or gate shall be of such design and material as shall be reasonably approved by the Manager.

9 . The covenants, provisions and restrictions set out in this Sub-Section C shall be subject to and without prejudice to the rights reserved to the Registered Owner under Clause 8 of Section II of this Deed and the rights reserved to the Owner(s) of the Shop(s) under Clause 11 of Section II of this Deed.

10 . In the case of any Owner operating a restaurant in any Shop, such Owner shall apply for and obtain all requisite licences, approvals or permits as required under the Government Grant or any statutes or regulations from relevant Government departments or other competent authority including but not limited to the offensive trades licence and keep at his own expense all kitchens and cooking equipment and water apparatus used by him and his servants agents licensees and customers in good clean sanitary and tenantable repair and condition in accordance with the regulations or by-laws of all Government authorities concerned. In particular, but without prejudice to the generality of the foregoing, each Owner shall:

- (a) install and maintain at all times hoods over all cooking equipment in the kitchens within such part of the Development together with suitable grease filters and air washer installed;
- (b) install and maintain all grease traps in the kitchens in good clean working order and free from blockage and obstruction and inspect and clean the same daily and at least once weekly and clean the same with hot water and strong solvent;
- (c) install and maintain all necessary grease filters in the kitchens and regularly inspect and clean the same and keep them free from blockage and obstruction;
- (d) install and maintain all air-transfer grilles throughout such part of the Development in good clean working order and not block off the same and

regularly inspect and clean the same and keep them free from blockage and obstruction;

- (e) install and maintain screw-in-grease valves in all ducting throughout such part of the Development and regularly inspect and clean the same;
- (f) comply with all or any ordinances regulations and by-laws relating to health sanitation and use of such part of the Development for the storage preparation supply or sale of food or other commodities sold or served in the restaurant and ensure that all relevant licences permits consents approval are obtained, maintained and regularly renewed and comply with all rules and regulations prescribed by Food and Environmental Hygiene Department and/or Food and Health Bureau and/or Environmental Protection Department and/or other relevant Government authorities relating to the operation of a restaurant and keep all other Owners of the Land and the Development fully indemnified against any failure on the part of the Owner to comply with the same;
- (g) to arrange cleaner to clean and dispose of all catering refuse daily; and
- (h) to arrange pest control services in the restaurant regularly and submit such records to the Manager for reference.

11. The Owner of the Hatched Red Areas or any part thereof shall observe and comply with the relevant requirements in respect of set back areas under all relevant ordinance, by-law, code of practice, practice note or regulation promulgated by the Government or any Government department from time to time including but not limited to Practice Notes for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers Nos.APP-132 and APP-152 issued by the Buildings Department and subsequent variations or amendments thereto from time to time made by the Buildings Department. Without prejudice to the generality of the foregoing, the Owner of the Hatched Red Areas or any part thereof shall:-

- (a) keep the Hatched Red Areas or the part thereof owned by him properly landscaped, paved, open and uncovered; and
- (b) not place, erect or construct or permit to be placed, erected or constructed any permanent building structures other than landscaped features and perforated boundary walls on, over, above or within the Hatched Red Areas.

## SECTION VI

### MANAGEMENT OF THE DEVELOPMENT

#### A. Appointment of Manager

1. The management of the Land and the Development shall be undertaken by the Manager.

2. (a) Subject to the provisions of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), the DMC Manager, New World Property Management Company Limited, is hereby appointed as the first Manager to manage the Land and the Development for the initial term of TWO years from the date hereof and thereafter shall continue to manage the Development until its appointment is terminated in accordance with the provisions of this Deed.

(b) The appointment of the Manager shall be terminated:

(i) by resignation from such appointment by the Manager giving not less than three months' notice in writing to the Owners' Committee (or where there is no Owners' Committee, by serving such notice on each of the Owners and by displaying such a notice in a prominent place in the Development. Such notice may be given by delivering it personally to the Owners; or by sending it by post to the Owners at his last known address; or by leaving it at his Unit or by depositing it in the letter box for his Unit.) Provided that no such notice shall be given by the Manager before the expiry of two years from the date hereof; or

(ii) prior to the formation of the Owners' Corporation, by removal (without compensation) by the Owners' Committee upon a majority resolution of meeting of the Owners under Clause A12(c) of Section VII hereof and the giving of three months' notice in writing to the Manager; or

(iii) if the Manager is wound up or has a receiving order made against it.

(c) (i) Subject to sub-clause (c)(v) of this clause, at a general meeting convened for the purpose, an Owners' Corporation may, by a resolution passed by a majority of the votes of the Owners voting either personally or by proxy and supported by Owners of not less than 50% of the undivided shares in aggregate, terminate by notice the Manager's appointment without compensation.

(ii) A resolution under sub-clause (c)(i) of this clause 2 shall have effect only if:

- (1) the notice of termination of appointment is in writing;
  - (2) the length of notice specified therein is for a period of not less than 3 months or, in lieu of notice, provision is made for an agreement to be made with the Manager for payment to the Manager of a sum equal to the amount of the Manager's Remuneration which would have accrued to the Manager during that period;
  - (3) the notice is accompanied by a copy of the resolution terminating the Manager's appointment; and
  - (4) the notice and the copy of the resolution is given to the Manager within 14 days after the date of the meeting.
- (iii) The notice and the copy of the resolution referred to in sub-clause (c)(ii)(4) of this clause 2 may be given:
- (1) by delivering them personally to the Manager; or
  - (2) by sending them by post to the Manager at his last known address.
- (iv) If a notice to terminate a manager's appointment is given under this sub-clause (c):
- (1) no appointment of a new manager shall take effect unless the appointment is approved by a resolution of the Owners' Committee (if any); and
  - (2) if no such appointment is approved under sub-clause (c)(iv)(1) of this clause 2 by the time the notice expires, the Owners' Corporation may appoint another Manager and, if it does so, the Owners' Corporation shall have exclusive power to appoint any subsequent manager.
- (v) For the purpose of sub-clause (c)(i);
- (1) only the Owners of undivided shares who pay or who are liable to pay contribution towards the management expenses relating to those undivided shares shall be entitled to vote;
  - (2) the reference in sub-clause (c)(i) to the "Owners of not less than 50% of the undivided shares in aggregate" shall be construed as a reference to the Owners of not less than 50% of the undivided shares in aggregate who are entitled to vote.

- (vi) If a contract for the appointment of a manager other than a DMC Manager contains no provision for the termination of the Manager's appointment, sub-clauses (b) and (c) of this clause apply to the termination of the Manager's appointment as they apply to the termination of a DMC Manager's appointment.
  - (vii) Sub-clause (c)(vi) of this clause operates without prejudice to any other power there may be in a contract for the appointment of a manager other than a DMC Manager to terminate the appointment of the Manager.
  - (viii) This sub-clause (c) is subject to any notice relating to the Development that may be published by the Secretary for Home Affairs under Section 34E(4) of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) but does not apply to any single manager referred to in that Section.
- (d) Upon termination of the Manager's employment in whatever manner that may occur, the Owners' Committee shall immediately thereafter appoint another service company or agent in its stead and on appointment thereof, the Owners' Committee shall on behalf of the Owners enter into a management agreement with such service company or agent defining the rights duties and obligations of the Manager which rights duties and obligations shall be consistent with those set out in this Deed.

3. Subject to the provisions of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), the Manager shall be appointed to act as agent for and on behalf of all Owners duly authorized in accordance with the provisions of this Deed in respect of any matters concerning the Common Areas and the Common Facilities and each Owner hereby appoints the Manager irrevocably as agent in respect of any matter concerning the Common Areas and the Common Facilities duly authorized in accordance with the provisions of this Deed and with full power of delegation to enforce the provisions of this Deed and to execute and sign all deeds and documents for and on behalf of all the Owners as shall be required or may be deemed proper for or in relation to all or any of the purposes of this Deed.

4. The Manager shall be bound by and shall observe and perform all of the conditions duties and obligations herein provided and shall have all of the rights and privileges herein granted to the Manager.

#### B. Powers and Duties of Manager

1. The Manager will manage the Land and the Development in a proper manner and in accordance with this Deed and except as otherwise herein expressly provided the Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may be necessary or requisite for the proper management of the Land and

the Development. Without in any way limiting the generality of the foregoing, the Manager shall have the following duties and powers namely:

- (a) To employ a qualified architect or professional to inspect the Development (save only the interior of the Units) including the Common Areas and the Common Facilities at such time or times as the Manager shall deem necessary and to prepare a report of such inspection which report will be kept at the management office in the Development and will be open to inspection by all Owners and occupiers of any of part of the Development and the Manager will furnish upon request to any such Owner or occupier a copy of the report at a reasonable charge PROVIDED THAT any charges or fee collected hereunder shall be credited to the Special Fund.
- (b) To put in hand and ensure the satisfactory completion of works necessary to maintain any Common Areas and Common Facilities and the Green and Innovative Features (save and except those forming part of the Unit) so as to ensure that the same are maintained in a good clean and safe condition at all times and for this purpose to employ reputable and competent contractors and workmen.
- (c) To ensure that all the Owners or occupiers maintain the Units owned or occupied by them and if there shall be any default on the part of any such Owners or occupiers to put in hand any necessary maintenance and to take all possible steps to recover the cost therefor from the defaulting Owner or occupier.
- (d) To paint wash tile or otherwise treat as may be appropriate the Common Areas at such intervals as the same may in the opinion of the Manager be reasonably required to be done.
- (e) To replace any glass in the Common Areas that has been broken.
- (f) To keep all the Common Areas properly lighted and ventilated.
- (g) To keep in good order and repair the ventilation of the enclosed Common Areas.
- (h) To keep the Common Areas and all parts thereof in a clean sanitary and tidy condition.
- (i) To prevent any decaying noxious excrementitious or other refuse matter from being deposited on the Development or any part thereof and to remove all refuse from such parts of the Development and arrange for its disposal at such regular intervals and to maintain either on or off the Development refuse collection facilities to the satisfaction of the Director of Food and Environmental Hygiene.

- (j) To prevent the obstruction of all the Common Areas and to remove any article or thing causing obstruction. If and whenever any article or thing shall be placed or stored on or in any part of the Common Areas, the Manager or its agents, servants, caretakers or cleaners of the Development shall first give the defaulting party (if identifiable) reasonable prior written notice (except in the case of emergency) to remove the article or thing causing the obstruction. In the event that such defaulting party cannot be identified, the Manager shall have the right without giving any prior notice to the defaulting party to remove such article and thing from such part of the Common Areas to another place or places as the Manager shall think fit. All costs and expenses incurred by the Manager for such removal shall be reimbursed upon demand to the Manager by the defaulting party and the defaulting party shall not claim against the Manager or its agents, servants, caretakers or cleaners for any loss or damage to such article or thing due to such removal.
- (k) To prevent any person enclosing the Non-Enclosed Area or any part thereof or otherwise acting in breach of the provisions of this Deed applicable to the Non-Enclosed Areas.
- (l) To keep all the common sewers drains watercourse and pipes free and clear from obstructions.
- (m) To keep all the Common Facilities in good and working order and to extend or provide additional facilities as the Manager shall in its reasonable discretion deem necessary or desirable for the benefit of the Land and the Development.
- (n) To keep all lighting equipment water and sewage systems in good and working order and in accordance with any laws and regulations applicable thereto and whenever it shall be necessary or convenient so to do at the Manager's reasonable discretion and subject to prior written approval of the Owners' Committee (if formed) or the Owners' Corporation, if formed, to enter into contracts with third parties for the maintenance thereof. The Manager shall also be responsible for all works required for any alteration to the sewage system and future connection of the same to the public culvert to be constructed if so required by the Government and all costs and expenses for such works shall be borne by the Owners provided that such costs and expenses shall first be paid out of the Special Fund.
- (o) To prevent so far as is possible any refuse or other matter being deposited washed eroded or falling from the Development onto any part of any public roads or any road-culverts sewers drains nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any part of any Government or other drains waterways watercourses footpaths sewers nullahs pipes cables wires utility services or other works being in under over or adjacent to the Land or any part thereof by

reason of any maintenance or other works carried out by the Manager as herein provided and to make good any such damage to the satisfaction of the Government.

- (p) To prevent the Owners from altering the external appearance of the Development and to remove any structure installation signboard sunshade bracket fitting or other things in or on any part of the Development which have been erected in contravention of the terms of this Deed or of the regulations of the Buildings Ordinance or any other Ordinance and/or without the prior written permission of the Manager (or if such permission has been given upon the expiration or withdrawal of the same or if the conditions of such permission are in breach) and to demand and recover from the person by whom such structure or other things as aforesaid was erected or installed the cost of such removal and the making good of any damages thereby caused.
- (q) To maintain fire fighting equipment and fire alarms and to comply with all requirements of the Fire Services Department and generally so far as may be possible to maintain the Development safe from fire at all times.
- (r) To provide a security force watchmen porters and caretakers and to provide with and maintain burglar alarms and other security equipment and generally so far as may be possible to maintain security in the Development at all times.
- (s) To do all things which the Manager shall in his reasonable discretion deem necessary or desirable for the purposes of maintaining and improving the Common Facilities for the better enjoyment or use of the Development by its Owners occupiers and their licensees provided that the prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works of the Common Areas and Common Facilities which involve expenditure in excess of 10% of the current annual Management Budget.
- (t) To appoint solicitors to advise on matters which arise in the management of the Land and the Development and which necessitate professional legal advice and with authority to accept service on behalf of all the Owners of all legal proceedings relating to the Land and the Development or any part thereof (except proceedings relating to the rights or obligations of individual Owners) and in particular but without limiting the foregoing in all proceedings in which the Government shall be a party and at all times within 7 days of being requested so to do by the Director of Lands or other competent officer to appoint a solicitor who shall undertake to accept service on behalf of all such Owners for the purpose of Order 10 Rule 1 of the Rules of High Court (or any provisions amending or in substitution for the same).
- (u) To prevent (by legal action if necessary) any person including an Owner from occupying or using otherwise than in accordance with the written permission

of the Manager or the provisions of this Deed or the Government Grant or the Occupation Permit any of the Common Areas or any part of the Land and the Development.

- (v) To take all steps necessary or expedient for complying with the covenants and conditions contained in the Government Grant and any statutory or Government requirements concerning or relating to the Development for which no Owner or occupier of the Development is directly responsible.
- (w) To prevent (by legal action if necessary) and to take action to remedy any breach by any Owner or other person resident in or visiting the Land of any terms and conditions contained in the Government Grant and/or any statutory or Government legislation or regulations or this Deed.
- (x) To prevent any person detrimentally altering or injuring any part of the Development or any of the Common Facilities.
- (y) To demand collect and receive all amounts payable by Owners under the provisions of this Deed and any relevant Sub-Deed of Mutual Covenant.
- (z) To pay and discharge out of all monies so collected all outgoings relating to the management of the Development or incurred by the Manager hereunder.
- (aa) Unless otherwise directed by the Owners' Corporation (if formed), to insure and keep insured to the full new reinstatement value in respect of the Common Areas and the Common Facilities and all parts thereof as comprehensively as reasonably possible and in particular against loss or damage by fire or other perils and to effect insurance against public and occupiers' liability and employer's liability in respect of employees employed within or exclusively in connection with the management of the Development and other liabilities in such items or in such amounts as the Manager may think fit such insurance to be in the name of the Manager itself for and on behalf of all the Owners according to their respective interests and to pay all premia required to keep such insurance policies in force and updated.
- (ab) To keep proper records of accounts of all expenditure incurred by and of all payments made to the Manager in respect of carrying out its duties hereunder as hereinafter provided.
- (ac) To represent the Owners in all matters and dealings with Government or any utility or other competent authority or any other person whomsoever in any way touching or concerning the Land and the Development or the Common Areas and the Common Facilities with power to bind all Owners as to any policy adopted or decision reached or action taken in relation to any such dealings so long as the same does not contravene or is not in conflict with any of the provisions of this Deed.

- (ad) To commence conduct carry on and defend legal and other proceedings touching or concerning the Land and the Development or the management thereof in the name of the Manager.
- (ae) To enforce the due observance and performance by the Owners or any person occupying any part of the Development through under or with the consent of any such Owner of the terms and conditions of this Deed and the House Rules hereunder and to take action including the commencement and conduct of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (af) To enforce the due observance and performance of the House Rules and the Fitting Out Rules.
- (ag) To post and specify any Unit in default or in breach of the terms and conditions of this Deed as aforesaid together with particulars of the default or breach on the notice boards and/or other prominent spaces within the Development after prior written notice to the defaulting Owner if the defaulting Owner fails to remedy his default or breach after a reasonable period of time has been given to him to do so.
- (ah) To recruit dismiss and employ such staff as may from time to time be required to perform and discharge its duties hereunder on such terms as the Manager shall in its absolute discretion decide and to provide accommodation within the Land uniforms working clothes tools appliance cleaning and other materials and all equipment necessary therefor.
- (ai) To take all reasonable actions to abate any nuisance affecting the Owners and occupiers of the Development or any Unit of the Development and for such purpose to enter into any part or Unit of the Development for the purpose of abating such nuisance.
- (aj) To do all such other things as are reasonably incidental to the management of the Land and the Development.
- (ak) To repair and keep in good repair and condition the Common Facilities and the Common Areas and when necessary upon reasonable prior written notice (except in case of emergency) to enter into any part or any Unit of the Development for the purpose of carrying out necessary repairs to the Land and Development and the Common Areas and the Common Facilities or to abate any hazard or nuisance which does or may affect the Common Areas and the Common Facilities or other Owners Provided that the Manager shall in the exercise of such right ensure that the least disturbance is caused to the Units

and shall at his own costs and expenses repair any damage caused thereby and shall be liable for negligence or wilful or criminal acts of the Manager, his employees, contractors or agents.

- (al) Except in accordance with Clause 10 of Section B of this Section VI, the Manager shall not, in any financial year, enter into any contract that involves (i) amounts in excess of \$200,000.00 (or such other amount as the Secretary for Home Affairs may specify by notice in the Gazette) or (ii) an average annual expenditure of more than 20% of the Management Budget or revised Management Budget (as the case may be) (or such other percentage as the Secretary for Home Affairs may specify by notice in the Gazette), whichever is the lesser.
  
- (am) To install in or affix to and use (or permit any person to install in or affix to and use) any part of the Common Areas for the installation, erection and maintenance of flue pipes, conduits, aerials and/or dish installation (if any), apparatus, structures and/or other equipment relating to the broadcasting and/or reception of cable and/or satellite television and/or other telecommunication systems, plant, machinery and other apparatus or equipment (all of which upon such installation or erection shall form part of the Common Facilities) and to lease licence install affix erect place and maintain or contract for the leasing, licensing, installation and maintenance of communal radio and/or television aerials and/or satellite master antennae television system and/or cable television system which serve the Development or any part thereof and such apparatus, equipment, cables, wires, pipes, antennae or structures in relation thereto in accordance with Clause 11 of this Section B of Section VI of this Deed (where appropriate) and for such purposes to apply for all necessary licence(s) or consent(s) from the Government and/or other relevant authorities provided that the written approval by a resolution of Owners at an Owners' meeting convened under this Deed has been obtained prior to the exercise of such rights and that such installation shall not unreasonably affect the enjoyment of the Development by the Owners and occupiers. Any consideration received therefor shall be credited to the Special Fund.
  
- (an) Subject to the prior written approval of the Owners' Committee (if formed) or the Owners' Corporation (if formed), to enter into and thereafter change amend vary add to alter or cancel any Deed(s) of Mutual Grant and/or Deed(s) of Mutual Grant and Release and/or any other Deed(s) and/or Agreement(s) whatsoever with any person(s) or corporation(s) in connection with the granting and/or reservations of rights, easements, rights of way, privileges, benefits, obligations and/or any other matters affecting the Land and the Development and/or any adjoining properties. Such Deed(s) or Agreement(s) shall contain such provisions as the Manager deems fit and necessary in the circumstances Provided that the Owners' right to occupy and enjoy their respective Units is not adversely affected Provided further that any

consideration received therefor shall be credited to the Special Fund.

- (ao) Subject to the prior written approval of the Owners' Committee (if formed) or the Owners' Corporation (if formed), to grant such easements, quasi-easements, rights, privileges and licences to and to enter into such arrangements and agreements (whether formal or informal) with the Government or such other parties and upon such terms and conditions and with or without consideration in respect of any part or parts of the Common Areas as the Manager shall reasonably consider necessary to ensure efficient management of the Land and the Development PROVIDED THAT any charges or fee collected hereunder shall be credited to the Special Fund.
- (ap) Subject to the prior written approval of the Owners' Committee (if formed) or the Owners' Corporation (if formed), to grant right of way or access or use at any level to the owners or occupiers of any other premises adjoining the Land or to such person or persons and upon such terms and conditions as the Manager may think fit in respect of the Common Areas and the Common Facilities and on behalf of the Owners to obtain a grant of similar rights in respect of such adjoining premises PROVIDED THAT such grant of rights of way or access or use shall not contravene the terms and conditions contained in the Government Grant and any charges or fee collected hereunder shall be credited to the Special Fund.
- (aq) Subject to the prior written approval of the Owners' Committee (if formed) or the Owners' Corporation (if formed), to grant reasonable easements, rights of way, quasi-easements (if any), rights, privileges and/or licences to the Government, the Registered Owner or other owners of any adjacent land and/or adjacent building or any person to use, connect to, construct, lay, maintain, remove, renew and/or replace any roads, passageways, walkways, footpaths, open area, nullahs and culverts, sewage treatment plant and facilities, refuse collection and disposal areas and facilities, drainage systems, drains, pipes, cables, irrigation pipes, pumps and other installation apparatus, fittings, chambers, and other equipment and structures at or within the Land and the Development on such terms as the Manager deems fit Provided that the exercise of all or any of the rights herein conferred upon the Manager shall not adversely interfere with an Owner's right to the physical use and occupation of his Unit and Provided Further that all monetary consideration (if any) received therefor pursuant to this sub-clause shall be credited to the Special Fund.
- (ar) To impose charges, restrictions, regulations and conditions for the use of the Common Areas and Common Facilities including the Recreational Facilities and their ancillary facilities in the Common Areas and Common Facilities, to remove any person thereon who fails to comply with or is in breach of any House Rules relating to such facilities and to exclude any person who has been in persistent breach of such House Rules from the use of such facilities for

such period as the Manager shall in its discretion deem appropriate PROVIDED THAT any charges or fee collected hereunder shall be credited to the Special Fund.

- (as) Subject to sub-clause (al) of this clause, to enter into contracts and to engage, employ, remunerate and dismiss solicitors, architects, accountants and other professional advisers and consultants, contractors, workmen, servants, agents, watchmen, caretakers and other building staff and attendants and to do all such things as are reasonably incidental to the management of the Development.
- (at) To have the full authority of the Owners to engage suitable qualified personnel to inspect keep and maintain in good substantial repair and condition the Slopes and Retaining Walls or other structure in compliance with the Government Grant and in accordance with the Maintenance Manual(s) for the Slopes and Retaining Walls and in particular, in accordance with all guidelines issued from time to time by the appropriate Government Departments regarding the maintenance of the Slopes and Retaining Walls and related structures and to collect from the Owners all costs lawfully incurred or to be incurred by it in carrying out such maintenance and repair. For the purpose of this Clause, the Manager shall include Owners' Corporation, if formed.
- (au) To improve, control, operate and manage the Recreational Facilities and to landscape, plant with trees and shrubs, flowers, bushes, grass and other vegetation on any part or parts of the Common Areas and Common Facilities and maintain the same including any access steps staircases and ramps, whether the same are within the Land.
- (av) To repair, maintain, clean, paint or otherwise treat or decorate as appropriate, the structure and fabric of the Development and the external walls elevations and facade thereof which form part of the Common Areas but excluding windows and window frames solely and exclusively attached to each of the Residential Units and external walls (if any) forming part of the Shop(s) PROVIDED HOWEVER THAT the Manager shall have the power at the expense of the Owner concerned to replace broken window glass if any window glass shall be broken and remain unreplaced for seven (7) days after the Manager shall have served a notice on the Owner or occupier of the Unit concerned requiring him to replace the same.
- (aw) To maintain any drainage system whether within or outside the Land which is required to be maintained pursuant to the provisions of the Government Grant.
- (ax) To make suitable arrangements for the supply, use or provision of water, gas and electricity and any other utility or service and any rights and privileges to or for the Land and the Development or any part thereof and to lease or licence any adjacent land or building or land or building in the vicinity for the use and benefit of the Land and the Development or any part thereof on such terms as

the Manager deems fit PROVIDED THAT the written approval of the Owners' Committee (if formed) or the Owners' Corporation (if formed) of the same shall first be obtained.

- (ay) To prevent any person from overloading the floors of the Development or any part or parts thereof.
- (az) To prevent any person from overloading any of the electrical installations and circuits or any of the mains or wiring in the Development.
- (ba) To ensure that all Owners use the water supply properly.
- (bb) To deal with all enquiries, complaints, reports and correspondence relating to the Land and the Development as a whole.
- (bc) To provide such Christmas, Chinese New Year and other festive decorations and to organize such festive celebrations or activities for the Development as the Manager shall in its reasonable discretion consider desirable.
- (bd) Subject as otherwise provided in this Deed to give or withhold its written consent or approval to anything which requires its written consent or approval pursuant to this Deed or any relevant Sub-Deed of Mutual Covenant provided that the Manager shall act reasonably in giving or withholding such written consent or approval and to impose conditions or additional conditions relating thereto.
- (be) Subject as otherwise provided in this Deed, from time to time to compile rules and regulations governing:
  - (i) the convening, conduct, and procedure of meetings of the Owners, the Owners' Committee and any sub-committees thereof;
  - (ii) the quorum for the conduct of business at any such meetings;
  - (iii) the establishment, appointment and constitution of sub-committees of the Owners' Committee;
  - (iv) the conduct of the ballot for the election or re-election of Owners as members of the Owners' Committee;
  - (v) all other matters to regulate the meetings of the Owners, the Owners' Committee and any sub-committees thereof and to facilitate the transaction of business thereat.
- (bf) To convene such meetings of the Owners as may be necessary or requisite and to act as secretary to keep the minutes of such meetings.

- (bg) To maintain, repair, operate, temporarily install, move, and have access to, over and/or on the external walls or curtain walls the cleaning gondola and/or any davit arm, other equipment or device of management (collectively referred to in this Deed as the "**gondola**" which expression shall include all brackets, hinges, posts or other related equipment) and to service, cleanse, enhance, maintain, repair, renovate, decorate, improve and/or replace any part of any exterior (which form part of the Common Areas) of the Development or any part thereof and on prior reasonable notice to the relevant Owner for the Manager, its servants, agents, contractors and persons duly authorised to have access to the external walls or curtain walls for the purposes of operating, installing, keeping, repairing, storing and/or parking the gondola and in this connection the Manager, its agents, contractors and duly authorized persons shall have the right to temporarily fence off the relevant part of the external walls or curtain walls PROVIDED THAT the Manager in exercising any of its aforesaid rights shall cause as little disturbance as reasonably practicable and shall make good any damage caused thereby.
- (bh) Without prejudice to the Manager's obligations under this Deed, to appoint or employ agents, contractors or sub-managers which may include professional property management companies to carry out the management, maintenance, operation and control of the Common Areas and Common Facilities or any part or parts thereof on such terms and conditions as the Manager shall in its discretion think fit. For avoidance of doubt, the Manager shall not assign or transfer any of his duties or obligations under this Deed to such person or company and such person or company shall remain responsible to the Manager. The Manager shall at all times be responsible for the management and control of the whole Development.
- (bi) To maintain all areas, slopes, open area and facilities as are required to be maintained under the provisions of the Government Grant and in the manner as provided therein.
- (bj) Without prejudice to the other powers and duties of the Manager contained herein, to carry out such decoration, renovation, improvement works or such other works whether or not of a cosmetic nature in respect of the Common Areas and the Common Facilities or any part(s) thereof for the purpose of enhancing, upgrading or improving the appearance, condition or amenities of the Development Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works of the Common Areas and Common Facilities or any improvements to facilities or services which involves expenditure in excess of 10% of the current annual Management Budget.
- (bk) To provide appropriate and sufficient waste separation and recovery facilities

including, but not limited to, waste separation bins at such locations within the Common Areas as the Manager may consider suitable and convenient to facilitate waste separation and recovery by the Owners and the occupiers of the Development and to ensure that the recovery facilities shall consist of material that will not cause any fire hazard and shall be placed in locations so as not to cause obstruction to any fire escape route and shall maintain the facilities in an environmentally acceptable and hygienic manner to avoid creating nuisance to the Owners and the occupiers of the Development. Such recyclable materials recovered from the waste separation and recovery facilities shall be properly collected, stored and sent for recycling if the Manager considers appropriate and fit to do so.

- (bl) To organize any activities as the Manager may consider appropriate on a regular basis to promote the environmental awareness of the Owners and the occupiers of the Development and to encourage the Owners and the occupiers of the Development to participate in such activities with a view to improving the environmental conditions of the Development.
- (bm) To make House Rules to require the Owners and the occupiers of the Development to dispose of any rubbish properly for waste separation and recycling purposes.
- (bn) To engage suitable qualified personnel to inspect, keep and maintain in good substantial repair and condition the lifts and fire fighting equipments and to comply with all applicable Government regulations.
- (bo) To make House Rules to protect the environment of the Development and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection.
- (bp) To inspect, maintain and carry out all necessary works for the maintenance of the Works and Installations.
- (bq) To manage and maintain artificial lighting and backup emergency system and to comply with all requirements as set out in the Code of Practice for Minimum Fire Services Installations and Equipment and conduct regular maintenance of the artificial lighting and backup emergency systems from time to time.
- (br) To suspend water supply to any Unit of the Development temporarily in order to avoid water leakage in case of emergency or for the purpose of abating any nuisance affecting the Owners and occupiers of the Development or any Unit of the Development.
- (bs) To pay the Government rent and rates for the whole of the Land, if there is no separate assessment or apportionment for individual Units and to collect and

receive from each Owner for reimbursement of these outgoing so paid.

- (bt) To carry out inspection of the smoke detector, sprinkler system and alarm system serving the Residential Units.
- (bu) To implement the Fire Safety Management Plan.
- (bv) To observe and comply with the relevant requirements in respect of set back areas under all relevant ordinance, by-law, code of practice, practice note or regulation promulgated by the Government or any Government department from time to time including but not limited to Practice Notes for Authorized Persons, Registered Structural Engineers and Registered Geotechnical Engineers Nos.APP-132 and APP-152 issued by the Buildings Department and subsequent variations or amendments thereto from time to time made by the Buildings Department in so far as they apply to the part of the Hatched Red Areas that forms part of the Development Common Areas, and without prejudice to the generality of the foregoing, to keep such part properly landscaped, paved, open and uncovered and not to place, erect or construct or permit to be placed, erected or constructed any permanent building structures other than landscaped features and perforated boundary walls on, over, above or within the Hatched Red Areas.

2. In connection with the exercise of or incidental to the Manager's rights mentioned in the preceding Clause 1, each Owner agrees that the Manager (and its successors) may without joining the Owners sign and/or seal and execute such deed(s) or document(s) as it or they consider(s) necessary or desirable and each Owner do hereby appoint the Manager (and its successors) as his attorney (with full power of delegation and may act through such officers, employees, agents and nominees as the attorney may from time to time appoint) to exercise effect and perform and/or to sign and/or seal and execute any deed(s) and document(s) on his behalf (if necessary in conjunction with the Manager and/or other Owners) and as his act and deed to deliver such deed(s) and document(s) as shall be required in connection with the exercise of such rights by the Manager (and its successors) to effectuate any of the aforesaid purposes and such Owner hereby covenants that he will ratify and confirm all that the Manager (and its successors) as such attorney as aforesaid shall lawfully do or cause to be done by virtue of this Deed and that the power of attorney hereby given shall bind the executor or executors and the administrator or administrators and the successor or successors and assign or assigns of such Owner and shall not be revoked by the death incapacity or the winding up (as the case may be) of such Owner.

3. An Owner shall not assign alienate transfer or otherwise dispose of his Unit unless the relevant assignments, instrument in writing or document includes the following covenants:

“The Purchaser hereby covenants with the Vendor that the Purchaser acknowledges the rights conferred on New World Property Management Company Limited (and its successors) (“Manager”) as Manager under the

Deed of Mutual Covenant incorporating Management Agreement and to the intent that these covenants shall run with the Property and be binding on the Purchaser his executors administrators successors in title and assigns and the owner or owners thereof for the time being and any other person deriving title under the Purchaser (each and all of whom including the Purchaser is and are hereinafter included in the expression “the Covenanting Purchaser”) and be enforceable by the Vendor and its successors and assigns (other than the Purchaser) and/or the Manager that:

- (i) the Covenanting Purchaser grants confirms and acknowledges the rights liberty and privileges conferred on the Manager under the Deed of Mutual Covenant incorporating Management Agreement aforesaid and the Covenanting Purchaser shall not do or permit anything to be done which will affect the exercise of the said rights liberty and privileges by the Manager.
- (ii) The Covenanting Purchaser hereby appoints the Manager acting singly to be its attorney (with full power of delegation and, who may act through such officers, employees, agents and nominees as the Manager may from time to time appoint) and grants unto the Manager the full right power and authority to do all acts matters and things and to execute and sign seal and as the act of the Covenanting Purchaser deliver such deed and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights liberty and privileges conferred on the Manager as aforesaid.
- (iii) the Covenanting Purchaser shall abide by the provisions in the Deed of Mutual Covenant incorporating Management Agreement as if the same terms and covenants on the part of the Covenanting Owner set out therein are made directly by the Covenanting Purchaser.
- (iv) The Covenanting Purchaser shall not assign alienate transfer or otherwise dispose of the Property unless the relevant assignment, instrument in writing or document includes the same binding covenants as the covenants (i), (ii), (iii) and (iv) herein contained.

Provided that upon the Covenanting Purchaser complying with and performing the covenant (iv) hereinbefore contained the Covenanting Purchaser shall not be liable for any breach of the covenants (i), (ii) and (iii) hereinbefore contained which may happen after the Covenanting Purchaser shall have sold or otherwise disposed of the Property in respect whereof such purchaser or assignee shall have entered into such covenants similar in scope and extent as the covenants (i), (ii), (iii) and (iv) hereinbefore contained.”

- 4. The Manager shall have power to make House Rules before the formation of

the Owners' Committee for the purpose of regulating the use operation and maintenance of the Development and any of the structures facilities services or amenities thereof and the conduct of persons occupying using or visiting the same. It may (subject to the approval of the Owners' Committee if any) from time to time revoke and amend the House Rules. The House Rules and any amendments thereto must not be inconsistent with or contravene the provisions of this Deed, Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) or the conditions of the Government Grant. Such House Rules shall be binding on all of the Owners and their tenants licensees servants or agents. A copy each of the House Rules from time to time in force shall be posted on the public notice board in a prominent place in the Development and a copy thereof shall be supplied to each Owner on request free of charge.

5. All acts and decisions of the Manager arrived at in accordance with the provisions of this Deed in respect of any of the matters aforesaid shall be binding in all respects on all the Owners for the time being.

6. The Manager shall have power to commence proceedings for the purpose of enforcing the observance and performance by any Owner or any person occupying any part of the Development through under or with the consent of any such Owner of the covenants conditions and provisions of this Deed and of the House Rules made hereunder and of recovering damages for the breach non-observance or non-performance thereof. The provisions of Clause 4 of Subsection E of this Section hereinafter appearing shall apply to all such proceedings.

7. The Manager shall have the right and power to require each Owner to pay a proportionate part of all the expenditure lawfully incurred or to be incurred for the provision, operation, necessary repair, decoration, renovation, improvement, management, upkeep and maintenance of the Slopes and Retaining Walls and related structure and the Common Areas and Common Facilities as provided in this Deed Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works of the Common Areas and Common Facilities which involves expenditure in excess of 10% of the current annual Management Budget.

8. The Manager shall not be made personally liable for carrying out any requirements of the slope maintenance and related works under the Government Grant which shall remain the responsibility of the Owners if, having used all reasonable endeavours, he has not been able to collect the costs of the required works from all Owners.

9. Notwithstanding any provision to the contrary herein contained, the Manager's rights and duties to manage the Development shall not include carrying out any improvements to facilities or services which involve expenditure in excess of 10% of the current annual Management Budget except with the prior approval by resolution of Owners at the meeting of Owners convened under this Deed.

10. (a) Subject to sub-clauses (b) and (c) of this clause, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which

exceeds or is likely to exceed the sum of \$200,000.00 or such other sum in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless:-

- (i) the supplies, goods or services are procured by invitation to tender; and
- (ii) the procurement complies with the Code of Practice referred to in section 20A(1) of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong).

(b) Subject to sub-clause (c) of this clause, the Manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as the Secretary for Home Affairs may specify by notice in the Gazette unless:-

- (i) if there is an Owners' Corporation:-

- (1) the supplies, goods or services are procured by invitation to tender;
- (2) the procurement complies with the Code of Practice referred to in section 20A(1) of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong); and
- (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a general meeting of the Owners' Corporation, and the contract is entered into with the successful tenderer;  
or

- (ii) if there is no Owners' Corporation:-

- (1) the supplies, goods or services are procured by invitation to tender;
- (2) the procurement complies with the Code of Practice referred to in section 20A(1) of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong); and
- (3) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed, and the contract is entered into with the successful tenderer.

(c) Sub-clauses (a) and (b) of this clause do not apply to any supplies, goods or services which but for this sub-clause (c) would be required to be procured by invitation to tender (referred to in this subparagraph as "relevant supplies, goods or services"):-

- (i) where there is an Owners' Corporation, if:-

- (1) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners' Corporation by a supplier; and
  - (2) the Owners' Corporation decides by a resolution of the Owners passed at a general meeting of the Owners' Corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or
- (ii) where there is no Owners' Corporation, if:-
- (1) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the Owners by a supplier; and
  - (2) the Owners decide by a resolution of the Owners passed at a meeting of Owners convened and conducted in accordance with this Deed that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

11. Contracts for the installation or use of aerial broadcast distribution or telecommunications network facilities and contracts for the provision of broadcast distribution network or telecommunications network services to be entered into by the Manager shall be subject to the following conditions:-

- (i) the term of the contract will not exceed 3 years;
- (ii) the right to be granted under the contract shall be non-exclusive and shall provide for sharing the use of the facilities and network with other service providers; and
- (iii) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities or services, unless he is a subscriber to the relevant service.

12. Notwithstanding any provision to the contrary hereincontained, the Manager shall have the discretion to:

- (a) perform any of its duties, obligations and responsibilities or exercise any of its rights and powers and discretions hereunder (including instituting legal proceedings) under its own name or by or through its employees or agents or subcontractors or in the name of the Owners;

- (b) refrain from doing anything which would or might be, in the opinion of the Manager, contrary to any law or governmental directive or any instrument, unprofessional, immoral or inappropriate or which might render the Manager liable to any person and to do anything which the Manager may in its absolute discretion consider necessary to comply with any law or government directive;
- (c) refrain from taking any step or further step required or requested by the Owners' Committee or the Owners until the Manager has been fully indemnified and/or secured to its satisfaction against any or all costs and expenses (including legal costs) or liabilities which the Manager may sustain or incur as a result of complying with such requirement or request; and
- (d) To obtain and pay (at the cost and expense of the Owners) reasonable expenses for such legal or other expert advice or services as the Manager consider necessary or desirable and rely on any such advice without any liability for any loss or damage whatsoever and howsoever arising except for any liability arising as a result of any act or omission involving criminal liability, dishonesty or negligence on the part of the Manager or his employees, agent or contractors.

C. Manager's Remuneration

1. The Manager's Remuneration shall be ten percent (10%) per annum (subject to variation by resolution of the Owners at meetings of the Owners convened under this Deed) of the total annual management expenditure of the Land and the Development (excluding the Manager's Remuneration itself, and any capital expenditure (or expenditure drawn out of the Special Fund as referred to in Clause 10 of Subsection D of this Section VI)) necessarily and reasonably incurred in the management of the Land and the Development provided that by a resolution of the Owners at an Owners' meeting convened under this Deed any capital expenditure or expenditure drawn out of the Special Fund may be included for calculating the Manager's Remuneration at the rate applicable under this clause or at such lower rate as considered appropriate by the Owners. Payment of the Manager's Remuneration shall be in advance in the manner as shall be determined by the Manager. Any over-payment of the Manager's Remuneration in the year in question shall be refunded and be paid by the Manager into the management fund within 21 days of the completion of the auditing of the annual accounts for such year as provided under Clause 5 of Subsection H of this Section and any adjustment payment that needs to be made by the Owners to bring the amount paid to the Manager by way of remuneration for the year in question to the correct amount for such year calculated in accordance with the first sentence of this clause shall likewise be made within 21 days of the completion of the auditing of the annual accounts for such year.

2. The sums payable to the Manager under the provisions aforesaid shall be the net remuneration of the Manager for its services as Manager and shall not include the costs and expenses for any staff, facilities, accountancy services or other professional supervision for the Land and the Development which costs and expenses shall be a direct charge upon the

management fund or the Special Fund as appropriate.

D. Management Budget and Contribution by Owners

1. (a) The Manager shall prepare an annual budget to be called “the Management Budget” for the ensuing financial year for the purpose of determining the contributions respectively payable by the Owners and such budget shall show all the estimated management expenditure of the Land and the Development for the ensuing financial year.
- (b) A copy of the draft Management Budget shall be sent to the Owners' Committee or, where there is no Owners' Committee, shall be displayed in a prominent place in the Development for at least 7 consecutive days, together with a notice inviting each Owner to send his comments to the Manager within a period of 14 days from the date the draft Management Budget was sent or first displayed.
- (c) After the end of the 14-day period, the Manager shall prepare the Management Budget and send a copy to the Owners' Committee or, where there is no Owners' Committee, display a copy in a prominent place in the Development and cause it to remain so displayed for at least 7 consecutive days.
- (d) If the Manager has not complied with sub-clauses (b) and (c) of this clause before the start of a financial year (other than the first financial year), the total amount of management expenditure for that year shall, until the Manager has so complied, be deemed to be the same as the previous financial year. If the aforesaid have been complied with, the amount which the Owners shall contribute shall be calculated and adjusted accordingly.
- (e) Where a Management Budget has been sent or displayed in accordance with sub-clauses (b) and (c) of this clause and the Manager wishes to revise it, he shall follow the same procedures in respect of the revised Management Budget as apply to the draft Management Budget and Management Budget by virtue of sub-clauses (a), (b) and (c) of this clause.
- (f) Where a revised Management Budget is sent or displayed in accordance with sub-clause (e) of this clause the total amount of management expenditure for that financial year shall be the total management expenditure or the estimated management expenditure specified in the revised Management Budget and the amount that Owners shall contribute towards the management expenditure shall be calculated and adjusted accordingly.
- (g) If there is an Owners' Corporation and, within a period of 1 month from the date that a Management Budget or revised Management Budget for a financial year is sent or first displayed in accordance with sub-clauses (b), (c) or (e) of this clause, the Owners' Corporation decides, by a resolution of the Owners, to

reject the Management Budget or revised Management Budget, as the case may be, the total amount of management expenditure for the financial year shall until another Management Budget or revised Management Budget is sent or displayed in accordance with sub-clauses (b), (c) or (e) of this clause and is not so rejected under this sub-clause, be deemed to be the same as the total amount of management expenditure (if any) for the previous financial year, together with an amount not exceeding 10% of that total amount as the Manager may determine.

- (h) The Manager shall supply any Owner with a copy of any draft Management Budget or revised Management Budget on request and upon payment of a reasonable copying charge PROVIDED THAT any charges or fee collected hereunder shall be credited to the Special Fund.

2. The financial year for the purposes of the Management Budget shall be from 1<sup>st</sup> January to 31<sup>st</sup> December in each year (both days inclusive). The first Management Budget shall be prepared by the Manager before the date falling one month after the date of this Deed and shall cover the period from the date of this Deed until, if such date is on or before 30<sup>th</sup> June of the year, 31<sup>st</sup> December of that year, or if such date is after 30<sup>th</sup> June of the year, until 31<sup>st</sup> December of the following year.

3. The management expenditure in the Management Budget shall include but not be limited to the following:

- (a) Government Rents and rates for the whole of the Land if there is no separate assessment or apportionment for individual Units;
- (b) The premia payable for the insurance of the Common Areas and the Common Facilities against fire and other perils, third party and property owners' liability, employers' liability and other liabilities as the Manager deems fit;
- (c) Charges for the supply and consumption of water, gas, electricity, telephone, central air-conditioning (if any) and other utilities to in and for, and any similar charges in connection with the management and maintenance of the Land and the Development other than the Units;
- (d) The cost and expenses of maintaining the foundations, columns and other structures constructed or to be constructed for the support of the Development and such other areas or drains, nullahs, sewers, pipes, watermains and channels whether within or outside the Land that are required to be maintained under the Government Grant;
- (e) The costs of lighting, repairing, maintaining, cleaning, painting, decorating and keeping in good condition any parts of the Common Areas, the Common Facilities and the Green and Innovative Features (save and except those forming part of a Unit) or any part thereof;

- (f) The costs of operating the Common Facilities;
- (g) Remuneration for accountants, caretakers, security guards, watchmen, cleaners and attendants and such other staff as may be required for the proper management of the Land and the Development;
- (h) The costs of refuse collection, storage and disposal in respect of the Land and the Development;
- (i) Such legal or other fees and costs which may be reasonably and properly incurred by the Manager in the performance of any duty or in the exercise of any power hereunder;
- (j) The costs of preparing annual accounts for the Owners and of having the same properly audited by an independent certified public accountant;
- (k) The Manager's Remuneration;
- (l) The costs or a due proportion thereof of maintenance and/or repair and/or other works described in Clauses l(at) and (bi) of Sub-Section B of Section VI of this Deed;
- (m) The costs of operation and maintenance of the Recreational Facilities;
- (n) Any fees or charges payable to the Government or other party under any agreement(s) or licence(s) or deed(s) of grant of easements or any other deed(s) or document(s);
- (o) Any other costs, charges and expenses reasonably and necessarily incurred by the Manager in the performance of any duty or in the exercise of any power under this Deed or under any sub-deed or sub-deeds of mutual covenant in respect of any part or parts of the Land and the Development;
- (p) the costs incurred in connection with the implementation of the Fire Safety Management Plan;

but such costs, charges and expenses shall exclude costs, charges and expenses of a capital nature, which shall be payable out of the Special Fund hereinafter mentioned. Costs, charges and expenses of a capital nature shall include but not be limited to those relating to establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within or forming part of the Common Areas and the Common Facilities Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works to facilities or services referred to in this clause which involves expenditure in excess of 10% of the current annual Management Budget.

4. Each annual Management Budget shall be divided into the following parts:
  - (i) Part A shall cover the estimated management expenditure which in the opinion of the Manager are attributable to the Land and the Development as a whole or for the benefit of all the Owners (excluding those estimated management expenditure contained in Part B of the Management Budget hereinafter mentioned); and
  - (ii) Part B shall contain the estimated management expenditure which in the opinion of the Manager are attributable solely to the Residential Units or solely for the benefit of all the Owners of the Residential Units including but not limited to the expenditure for the operation, maintenance, repair, cleaning, lighting and security of the Recreational Facilities.
5. The annual Management Budget shall be reviewed by the Owners' Committee (when it has been established pursuant to the provisions of this Deed) or by the Owners' Corporation (if formed), and in the light of such review, the Manager may alter such Management Budget based on the suggestions of the Owners' Committee or the Owners' Corporation and the Management Budget as reviewed or altered as aforesaid shall be deemed adopted.
6. The Manager shall determine the amount which each Owner shall contribute towards the management expenditure in accordance with the following principles:
  - (a) Each Owner of a Unit of the Development shall contribute to the amount assessed under Part A of the annual Management Budget in the proportion which the number of the Management Shares allocated to his Unit bears to the total number of the Management Shares allocated to all Units of and in the Development; and
  - (b) Each Owner in addition to the amount payable under (a) shall in respect of each Residential Unit of which he is the Owner contribute to the amount assessed under Part B of the annual Management Budget in the proportion which the number of Management Shares allocated to his Residential Unit bears to the total number of the Management Shares allocated to all Residential Units of and in the Development.

Provided however that notwithstanding any provisions to the contrary herein contained no Owner may be called upon to pay more than his appropriate share of the management expenditure. The Registered Owner shall make payments and contributions towards the management expenditure which are of recurrent nature in respect of those Units and undivided shares unsold provided that it shall not be obliged to make the payments and contributions aforesaid in respect of Management Shares allocated to any part(s) of the Development the construction of which has not been completed except to the extent that such uncompleted part(s) benefit(s) from the provisions of this Deed as to management and maintenance of the Development. All outgoings including management expenses and any

Government rent up to and inclusive of the date of assignment of the Units shall be paid by the Registered Owner. An Owner must not be required to make any payment or reimburse the Registered Owner for these outgoings.

7. The Manager shall determine the amount which each Owner shall contribute towards the management expenditure in accordance with the provisions of this Deed and shall determine the time and place of payment and unless otherwise determined by the Manager each Owner shall on the first day of each and every calendar month (whether legally demanded or not) pay to the Manager a sum representing one-twelfth of such Owner's liability to contribute to the management expenditure for that year.

8. (a) Without prejudice to the proviso in Clause 6 of this Subsection, in the event of a deficiency occurring or seeming to the Manager likely to occur or if there shall be any change in circumstances which in the opinion of the Manager (whose decision shall be conclusive save for manifest error) require any revision to the Management Budget, the Manager may at any time during the financial year prepare a revised Management Budget in accordance with the procedures set out in Clauses 1(b) and (c) of Subsection D of this Section. Such revised Management Budget shall be reviewed by the Owners' Committee and the provisions of Clause 5 of Subsection D of this Section shall apply mutatis mutandis to the revised Management Budget as to the annual Management Budget. A revised Management Budget may be further revised as often as the Manager considers reasonably necessary.

(b) The Manager shall also have the power, in the event of a revised Management Budget completed pursuant to and in accordance with sub-clause (a) hereof, to add to the amount to be contributed monthly by any Owner such additional amount as shall be necessary to meet revised estimated expenditure in any financial year to the intent that any such amounts shall form part of the monthly contribution of such Owner to the management expenditure and be recoverable accordingly.

9. Notwithstanding any provision to the contrary herein contained, the Manager shall be entitled in its discretion:

(a) to charge the Owners a reasonable administrative fee for granting and processing any consent required from the Manager pursuant to these presents;

(b) to charge the Owners for the temporary use of electricity, water or other utilities supplied by the Manager and for the collection and removal of fitting out or decoration debris;

(c) from time to time to make rules and regulations governing the supply and use of electricity air-conditioning water to the Common Areas and the Common Facilities, the payment and recovery of charges for installation, disconnection, reconnection and readings of meters, damage to meters and default interest to

a like extent as are from time to time made by Government;

- (d) to enter with or without workmen at all reasonable times on prior written notice (except in case of emergency) upon all parts of the Land and the Development necessary for the purpose of replacing, repairing and maintaining any of the electricity water conduits lines mains and pipes serving any part of the Land and the Development whether or not the same belong exclusively to any Unit Provided that the Manager shall at his own expense repair any damage caused by its negligent, criminal or wilful acts or the negligent, criminal or wilful acts of its workmen or sub-contractors Provided further that the Manager shall ensure that the least disturbance and inconvenience are caused;
- (e) to charge the Owners for all costs and consultants' fees incurred in approving their fitting out, decoration or construction plans submitted for approval by the Manager in accordance with the provisions of this Deed;

Provided always that all monies fees or charges received by the Manager under the provisions of this Clause shall be held by the Manager on trust for all the Owners for the time being and shall be credited to the Special Fund.

- 10. (a) There shall be established and maintained by the Manager a Special Fund in respect of the Development Common Areas, the Development Common Facilities and any areas or facilities whether within or outside the Land that are required to be maintained by the Owners under the Government Grant for payment of expenses of a capital nature which means expenses of a kind not expected by the Manager to be incurred annually. Such expenses shall include, inter alia, expenses for the establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within the Development Common Areas and the Development Common Facilities Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works to facilities or services referred to in this clause which involves expenditure in excess of 10% of the current annual Management Budget. Each Owner of a Unit, including the Registered Owner, shall pay to the Manager on the first day of each and every calendar month commencing on such date and year as the Manager may reasonably determine such sum proportionate to the number of Management Shares allocated to his Unit as shall be necessary to establish or maintain the Special Fund at such level as the Manager shall deem appropriate provided that the amount of such sum and the time when such sum shall be payable shall be determined by the Owners' Corporation, if formed, by a resolution of the Owners.
- (b) There shall be established and maintained by the Manager a Special Fund in respect of the Residential Common Areas and the Residential Common Facilities for payment of expenses of a capital nature which means expenses of

a kind not expected by the Manager to be incurred annually. Such expenses shall include, inter alia, expenses for the establishment, improvement and replacement of installations, systems, facilities, equipment and apparatus within the Residential Common Areas and the Residential Common Facilities Provided that prior approval by a resolution of the Owners at an Owners' meeting convened under this Deed is required for any improvement works to facilities or services referred to in this clause which involves expenditure in excess of 10% of the current annual Management Budget. Each Owner of a Residential Unit, including the Registered Owner, shall pay to the Manager on the first day of each and every calendar month commencing on such date and year as the Manager may reasonably determine such sum proportionate to the number of Management Shares allocated to his Residential Unit as shall be necessary to establish or maintain the Special Fund at such level as the Manager shall deem appropriate provided that the amount of such sum and the time when such sum shall be payable shall be determined by the Owners' Corporation, if formed, by a resolution of the Owners.

- (c) Each of the Special Fund shall be deposited in an interest bearing account at a bank within the meaning of Section 2 of the Banking Ordinance (Cap.155) the title of which shall refer to the Special Fund for the Development and that account shall be used exclusively for the purposes referred to in sub-clauses (a) or (b) above (as the case may be) and managed by the Manager on trust of all Owners. All sums in such Funds shall be the property of the Owners. Reference shall be made to the Special Fund in the annual accounts in respect of the management of the Development and an estimate shall be made in such accounts of the time when there will be a need to draw on the Special Fund, and the amount of money that will be then needed.
- (d) Each Owner shall make further periodic contributions to the Special Fund. The Annual General Meeting of the Owners shall by resolution of Owners decide the amounts to be contributed by the Owners to the Special Fund for the ensuing year and the time when those contributions will be payable.
- (e) Except in a situation considered by the Manager to be an emergency, money must not be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee (if any). The Manager must not use the Special Fund for the payment of any outstanding management expenses arising from or in connection with the day-to-day management of the Development.
- (f) The payments made by the Owners towards the Special Fund are neither refundable to any Owner by the Manager nor transferable to any new Owner.
- (g) Without prejudice to the generality of Clause 10(c) of this Subsection above, if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts within the meaning of Section 2 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), the title of

which shall refer to the management of the Land and the Development, each of which shall be designated as a trust account or client account, for holding money received by the Manager from or on behalf of the Owners' Corporation in respect of the Special Fund.

- (h) The Manager shall display a document showing evidence of any account opened and maintained under Clauses 10(c) or 10(g) of this Subsection above in a prominent place in the Development.
- (i) The Manager shall without delay pay all money received by it in respect of the Special Fund into the account opened and maintained under Clauses 10(c) of this Subsection above or, if there is an Owners' Corporation, the account or accounts opened and maintained under Clause 10(g) of this Subsection above.

E. Security for and recovery of moneys due to Manager

1. The first Owner of each Unit (except the Registered Owner as provided in Clause 2 hereunder) shall upon possession of his Unit is given to him:

- (a) deposit with the Manager as security for the due payment of all amounts which may be or become payable by him under this Deed a sum equivalent to one month's monthly contribution of the first year's budgeted management expenses and such sum shall not be used to set off against monthly contribution of the management expenses or any other contributions to be made by him and such sum is non-refundable but transferable; and
- (b) pay to the Manager a sum equivalent to one month's contribution of the first year's budgeted management expenses as payment in advance of the first one month's contribution of the first year's budgeted management expenses and such sum is neither refundable nor transferable; and
- (c) pay to the Manager a sum equivalent to two months' monthly contribution of the first year's budgeted management expenses as his initial contribution to the Special Fund (in respect of such contribution, the Manager shall reasonably apportion such initial contribution amongst the relevant respective Special Fund and in proportion to the number of Management Shares allocated to his Unit) and such sum is neither refundable nor transferable; and
- (d) pay to the Manager a non-refundable and non-transferable debris removal and initial set-up fee in the sum equivalent to not more than one month's contribution of the first year's budgeted management expenses in the case of a Residential Unit or three (3) months' contribution of the first year's budgeted management expenses (in case of a Shop) which shall be applied by the Manager towards the cost of removal from the Development of any debris or rubbish which may accumulate as a result of the initial fitting-out of the Units. Any debris removal and initial set-up fee paid but not used for debris removal

and initial set-up shall be paid into and form part of the Special Fund; and

- (e) pay to the Manager a non-refundable but transferable sum as the contribution to the utility charges deposits for utilities including water, electricity and gas for the Common Areas and Common Facilities.

For the avoidance of doubt (and in addition and without prejudice to the other rights of the Manager under this Deed), the Manager shall have the right to set off the deposit under the preceding Clause 1(a) of this Subsection against any sums payable by an Owner under this Deed. The Manager shall be under no obligation to exercise such right of set-off and in any proceedings by the Manager against an Owner in respect of any default in payment, such Owner shall have no right to require the Manager to mitigate its loss by exercising its right of set-off prior to its exercising its other rights under this Deed in respect of such default. If the Manager shall have exercised its right of set-off as aforesaid, it shall have the right to require the relevant Owner or his successor in title to replenish the deposit to an amount equivalent to one month's management contribution of management expenses currently payable by him in respect of the part of the Development which he owns.

2. The Registered Owner shall also pay to the Manager the amounts payable under the preceding Clauses 1(a), (c) and (d) of this Subsection if he remains the owner of those undivided shares allocated to the Units in that part of the Development the construction of which has been completed and which remain unsold 3 months after the date of execution of this Deed.

3. If any Owner shall fail to pay any amount payable hereunder within 30 days of the date on which the demand is made as aforesaid, he shall further pay to the Manager:

- (a) Interest on the amount unpaid calculated from the date of demand at a rate of not exceeding two per cent per annum above the prime rate from time to time specified by the Hongkong And Shanghai Banking Corporation Limited; and
- (b) A collection charge of not exceeding ten per cent of the amount due to cover the cost (other than legal costs of proceedings as hereinafter mentioned) of the extra work occasioned by the default.

4. All amounts which become payable by any Owner in accordance with the provisions of this Deed together with interest thereon as aforesaid and the said collection charge and all damages claimed for breach of any of the provisions of this Deed and all other expenses incurred in connection with recovering or attempting to recover the same shall be recoverable by civil action at the suit of the Manager and the claim in any such action may include a claim for the solicitor and own client costs of the Manager in such action. In any such action the Manager shall conclusively be deemed to be acting as the agent or agents for and on behalf of the Owners as a whole and no Owner sued under the provisions of this Deed shall raise or be entitled to raise any defence of want of authority or take objection to the right of the Manager as plaintiff to sue or to recover such amounts as may be found to be due.

5. In the event of any Owner failing to pay any sum due and payable by him in accordance with the provisions of this Deed or failing to pay any damages awarded by any court for breach of any of the terms or conditions of this Deed within 30 days of the date on which the same became payable the amount thereof together with interest as aforesaid and the said collection charge and all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 4 of this Subsection and in registering the charge hereinafter referred to shall stand charged on the undivided share(s) of the defaulting Owner and the Manager may discontinue providing management services to the defaulting Owner and shall be entitled without prejudice to any other remedy hereunder to register a Memorial of such charge in the Land Registry against the undivided share(s) and the Unit or Units held therewith of the defaulting Owner. Such charge shall remain enforceable as hereinafter mentioned notwithstanding that judgment has been obtained for the amount thereof unless and until such judgment has been satisfied.

6. Any charge registered in accordance with the last preceding paragraph shall be enforceable as an equitable charge by action at the suit of the Manager for an order for sale of the undivided share(s) of the defaulting Owner together with the right to the exclusive use occupation and enjoyment of the Unit held therewith and the provisions of Clause 4 of this Subsection shall apply equally to any such action.

F. Application of monies received by Manager

1. Subject to Section VIII hereof, all insurance moneys compensation received or damages recoverable by the Manager in respect of any damage or loss suffered in respect of any part of the Land and the Development shall be expended by the Manager in the repair rebuilding or reinstatement of that part of the Land and the Development.

2. Where any compensation damages costs or expenses are received or recovered (as the case may be) by the Manager in respect of any matter or thing for which claim has been made against the Owners or any of them as provided in Clause 4 of Subsection E of this Section, the same shall after deduction of any costs or expenses incurred by the Manager in recovering the same be credited to the accounts of those Owners against whom a claim has been made in the same proportions as such claim.

3. All moneys paid to the Manager by way of interest and collection charges shall be credited to the Special Fund.

G. Owners' interest in Fund

Any person ceasing to be an Owner of any undivided share(s) in the Land and the Development shall thereupon cease to have any interest in the funds held by the Manager including the deposit paid under Clause 1(a) of Subsection E of this Section and the Special Fund to the intent that all such funds shall be held and applied for the management of the Land and the Development irrespective of changes in the ownership of the undivided share(s) in the Land and the Development PROVIDED that any deposit paid under Clause 1(a) of Subsection E of this Section shall be transferred into the name of the new Owner of such

undivided share(s) AND PROVIDED further that upon the Land reverting to the Government or no renewal of the Government Grant being obtainable or upon the rights and obligations hereunder being extinguished as provided in Section VIII hereof, any balance of the said funds or in the case of extinguishment of rights and obligations as aforesaid an appropriate part of the said funds shall be divided between the then Owners of the Development in proportion to the respective contributions made by them or their respective predecessors under the provisions of Subsection D of this Section immediately prior to such reversion or in the case of extinguishment of rights and obligations as aforesaid between the Owners whose rights and obligations are extinguished.

H. Management records and Accounts

1. The Manager may change the financial year once only in every five years (unless otherwise approved by the Owners' Committee (if any)) by giving 3 months' notice in writing in advance to the Owners.
2. (a) All monies and deposits collected by the Manager in the exercise of its powers and duties hereunder shall unless otherwise authorized by the Owners' Committee be held by the Manager on trust for and on behalf of all the Owners and be paid into an interest-bearing bank account at a licensed bank within the meaning of section 2 of the Banking Ordinance (Cap. 155), the title of which shall refer to the management of the Land and the Development and shall only be used for the good and efficient management of the Land and the Development (save and except that the Manager may retain or pay into a current account a reasonable amount to cover expenditure of a minor nature as is from time to time determined by a resolution of the Owners' Committee (if any) and in such amount and subject to such conditions as may be approved by a resolution of the Owners' Committee (if any)).  
  
(b) Without prejudice to the generality of Clause (2)(a) of this Subsection above if there is an Owners' Corporation, the Manager shall open and maintain one or more segregated interest-bearing accounts within the meaning of Section 2 of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), the title of which shall refer to the management of the Land and the Development, each of which shall be designated as a trust account or client account, for holding money received by the Manager from or on behalf of the Owners' Corporation in respect of the management of the Development. The Manager shall display a document showing evidence of any account opened and maintained under Clause 2(a) of this Subsection above or this sub-clause in a prominent place in the Development. Subject to Clause 2(a) of this Subsection above, the Manager shall without delay pay all money received by the Manager in respect of the management of the Development into the account opened and maintained under Clause 2(a) of this Subsection above or, if there is an Owners' Corporation, the account or accounts opened and maintained under this sub-clause.

3. The Manager shall keep true and proper books or records of account and other financial records of all monies received or expended in the exercise of its powers and duties hereunder and shall keep all bills, invoices, receipts and other documents referred to in those books and records for at least 6 years.

4. Within 1 month after each consecutive period of 3 months, or such shorter period as the Manager may select, the Manager shall prepare a detailed summary of the income and expenditure and balance sheet in respect of its management of the Land and the Development within that period and shall exhibit the same in a prominent place in the Development and cause it to remain so displayed for at least 7 consecutive days.

5. Within 2 months after the close of each financial year, the Manager shall prepare annual accounts comprising income and expenditure accounts and balance sheet in respect of the preceding financial year, display a copy of the income and expenditure account and balance sheet in a prominent place in the Development and cause it to remain so displayed for at least 7 consecutive days. Such accounts shall be audited by Auditors appointed by the Manager provided always that prior to the formation of the Owners' Corporation the Owners at an Owners' meeting convened under this Deed shall have power to require such annual accounts to be audited by an independent auditor of their choice. Each annual account shall include details of the Special Fund required by Clause 10 of Subsection D of this Section and an estimate of the time when there will be a need to draw on the Special Fund, and the amount of money that will be then needed.

6. The Manager shall upon written request and upon the payment of a reasonable copying charge send to each Owner a copy of any books or records of account at any time after the same shall have been prepared as herein provided provided that all charges collected hereunder shall be credited to the Special Fund.

7. The Manager shall upon reasonable notice permit the Owners to inspect the books or records of account and any of the accounts prepared pursuant hereto and to take extracts therefrom.

8. The Manager shall have power to appoint a firm of Certified Public Accountants to audit the accounts and records of the Manager concerning the management of the Development and to certify the annual accounts prepared in accordance with the foregoing clauses and the accountant's fees shall be part of the management expenditure. The Manager shall further have power to replace such firm and to appoint another firm in their place as it may deem necessary from time to time provided that the Owners' Committee or the Owners at a meeting of the Owners may choose to appoint an auditor of their choice from time to time. If there is an Owners' Corporation and the Owners' Corporation decides, by a resolution of the Owners that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in the resolution, the Manager shall without delay arrange for such an audit to be carried out by that person.

9. (a) Subject to sub-clause (b) of this clause 9, if the Manager's appointment ends

for any reason, he shall, as soon as practicable after his appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the Owners' Committee (if any) or the manager appointed in his place any movable property in respect of the control, management and administration of the Development that is under his control or in his custody or possession, and that belongs to the Owners' Corporation (if any) or the Owners.

(b) If the Manager's appointment ends for any reason, he shall within 2 months of the date his appointment ends:

(i) prepare:

(1) an income and expenditure account for the period beginning with the commencement of the financial year in which his appointment ends and ending on the date his appointment ends; and

(2) a balance sheet as at the date his appointment ends,

and shall arrange for that account and balance sheet to be audited by an accountant or by some other independent auditor specified in a resolution of the Owners' Committee (if any) or, in the absence of any such specification, by such accountant or other independent auditor as may be chosen by the Manager; and

(ii) deliver to the Owners' Committee (if any) or the manager appointed in his place any books or records of account, papers, documents, plans and other records which are required for the purpose of the preceding sub-clause (b)(i) of this clause 9 and have not been delivered under sub-clause (a) of this clause 9.

## SECTION VII

### OWNERS' MEETING AND OWNERS' COMMITTEE

#### A. Meetings of the Owners

1. An Annual General Meeting of the Owners of the Development shall be held at least once a year commencing with the year following that in which the Occupation Permit is issued. The Owners of the Development may meet from time to time as occasion may require to discuss and decide matters concerning the management of the Land and the Development.

2. The Annual General Meeting and any meeting of the Owners of the Development shall be validly convened either by the Manager or by the Owners' Committee by at least 14 days' prior notice in writing to the Owners specifying the date, time and place of the meeting, the subjects to be discussed and the resolutions (if any) that are to be proposed. Provided however that a meeting of the Owners other than an Annual General Meeting may be convened by the Manager or the Owners' Committee or an Owner appointed to convene such a meeting by Owners who hold not less than 5% of all the undivided shares in aggregate in the Land and the Development by notice in the manner previously set out or by giving such notice to the Manager who shall as soon as possible convene a meeting in the manner previously set out. Notice of meeting to an Owner may be given by delivering it personally to the Owner; or by sending it by post to the Owner at his last known address; or by leaving it at the Owner's Unit or depositing it in the letter box for his Unit.

3. No business shall be transacted at any meeting unless a quorum is present when the meeting proceeds to business and 1/10th of the Owners shall be a quorum. For the purpose of this clause, 1/10th of the Owners shall mean 1/10 of the number of the Owners without regard to their ownership of any particular percentage of the total number of undivided shares of the Development and shall not be construed as the Owners of 1/10 of the undivided shares in aggregate.

4. The only persons entitled to attend any such meeting and vote thereat shall be Owners of the Development or the representative or representatives of the Owner or Owners of the Development duly appointed by the Owner or Owners in writing.

5. The Chairman of the Owners' Committee shall be the chairman of the meeting. If the meeting is convened by the Manager or an Owner appointed as mentioned in clause 2 of this Subsection A, the person convening the meeting shall be the chairman of the meeting.

6. All resolutions passed at such meeting by a majority of the Owners present in person or by proxy and voting shall be binding on all the Owners and the Manager of the Development. Provided that such resolutions shall not be contrary to any of the covenants terms and conditions contained in these presents and the Government Grant.

7. A resolution put to the vote of the meeting shall be decided by majority of

votes by a poll to be taken at such time and in such manner as the Manager shall direct.

8. Subject to Clause 13 of this Subsection A, every Owner entitled to be present and actually present at the meeting shall have one vote for every undivided share held by him.

9. In the case of Owners who together are entitled to one undivided share such Owner shall jointly have one vote for each undivided share and the vote in respect of that share may be cast by a proxy jointly appointed by the co-owners or by a person appointed by the co-owners from amongst themselves and if no appointment has been made as aforesaid, the vote in respect of that share may be cast either by one of the co-owners personally or by proxy appointed by one of the co-owners, and, in the case of any meeting where two or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the undivided share, only the vote that is cast, whether in person or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that undivided share in the register kept at the Land Registry shall be treated as valid. In case of an equality of votes the chairman of the meeting shall have, in addition to a deliberative vote, a second or casting vote. Without prejudice to the foregoing provisions, the votes of Owners may be given either personally or by proxy.

10. The Manager shall send a representative or representatives to all such meetings and a record of the persons present at the meeting and the proceedings thereof shall be kept.

11. Within 9 months from the date of these presents, the Manager shall convene a meeting of the Owners for the purpose of forming an Owners' Committee and electing the first Chairman thereof or appointing a management committee for the purpose of forming an Owners' Corporation under the Building Management Ordinance (Chapter 344 of The Laws of Hong Kong). The first Chairman shall act until the first Annual General Meeting when the post of Chairman shall fall vacant and an election for Chairman shall be held. Thereafter a Chairman shall be elected at each Annual General Meeting for the ensuing year.

12. The function of the Owners' Committee is to represent the Owners of the Land and the Development in all dealings with the Manager and to undertake such other duties as the Manager may with the approval of the Owners' Committee delegate to the Owners' Committee and without in any way limiting the generality of the foregoing:

- (a) to liaise and consult with the Manager in respect of all matters concerning the management of the Land and the Development;
- (b) to apply if thought fit for registration as a corporation under the Building Management Ordinance (Chapter 344 of The Laws of Hong Kong);
- (c) prior to the formation of the Owners' Corporation, to remove the Manager of the Development with the sanction of a resolution at a meeting of the Owners of the Development duly convened and passed by a majority of votes of Owners voting either personally or by proxy in an Owners' meeting and

supported by Owners of not less than fifty percent (50%) of the undivided shares in aggregate (excluding the undivided shares allocated to the Common Areas and the Common Facilities) in the Development and upon the giving to the Manager not less than three months' notice in writing;

- (d) to appoint (whether in place of any Manager removed or to fill any vacancy) any service company or agent as a Manager of the Development upon the termination of the then Manager's employment;
- (e) to undertake consider review and/or exercise all or any of the powers and duties conferred on the Owners' Committee by virtue of the provisions of this Deed.

13. Notwithstanding any provisions herein contained, the undivided shares allocated to the Common Areas and the Common Facilities shall not be taken into account for the purpose of voting or calculating the quorum of any meeting. Accordingly, the undivided shares as referred to in Clause 8 of this Subsection shall not include the undivided shares allocated to the Common Areas and the Common Facilities.

B. Meetings of the Owners' Committee

1. A meeting of the Owners' Committee may be convened at any time by the Chairman or any 2 members of the Owners' Committee.

2. In the election of the members to the Owners' Committee, the Owners shall endeavour to elect such number of representatives from the Owners for the time being of the Development to represent the Owners PROVIDED THAT the total number of representatives shall not be less than five. For the time being and unless and until otherwise determined by a meeting of the Owners, there shall be four representatives for the Owners of the Residential Units and one representative for the Owner(s) of the Shop(s).

3. Any Owner (including any one or two or more co-owners) for the time being of the undivided share or shares in the Land and the Development shall be eligible for election to the Owners' Committee. In the event of an Owner being a corporate body, the representative(s) appointed by such Owner shall be eligible for such election. The appointment of a representative or representatives by a corporate body shall be in writing addressed to the Owners' Committee and may be revoked at any time on notice in writing given to the Owners' Committee.

4. A member of the Owners' Committee shall hold office until the Annual General Meeting of Owners next following his appointment or election provided that:

- (a) He shall nevertheless cease to hold office if:
  - (i) he resigns by notice in writing to the Owners' Committee;

- (ii) he ceases to be eligible; or
    - (iii) he becomes bankrupt or insolvent or is convicted of a criminal offence other than a summary offence not involving dishonesty.
  - (b) If in any Annual General Meeting at which an election of the Owners' Committee should take place, the office of the retiring members or any of them is not filled, or if in any year no Annual General Meeting is held, the members of the Owners' Committee shall continue to be in office until the next Annual General Meeting.
5. Retiring members of the Owners' Committee shall be eligible for re-election.
6. Subject to Clause 2 above, the Owners' Committee may appoint any eligible Owner to fill any casual vacancy or as an additional member for the current term.
7. The Owners' Committee may continue to act notwithstanding any vacancies in the number provided that the number is not reduced below three. In the event that the number is reduced below three, the remaining member of the Owners' Committee may act but only for the purpose of calling for a meeting of the Owners to elect an Owners' Committee.
8. Any one or more members of the Owners' Committee may be removed from office by resolution passed at a meeting of the Owners and new members of the Owners' Committee may be elected in the place of those removed from office.
9. The Owners' Committee shall have full power to make rules and by-laws regulating the conduct and procedure of its meetings and the performance of its duties and obligations provided that no such regulation or by-laws shall be contrary to or inconsistent with the provisions of this Deed.
10. (a) The officers of the Owners' Committee ("Officers") shall be:
- (i) the Chairman;
  - (ii) the secretary; and
  - (iii) such other officers (if any) as the Owners' Committee may from time to time elect.
- (b) The Officers shall be elected by the Owners, such election to be held at or as soon as reasonably possible after the Annual General Meeting at which the Owners' Committee is elected and at such other times as may be necessary.
- (c) All casual vacancies of the Officers shall be filled by election or appointment by the members of the Owners' Committee as it may from time to time determine.

11. The person or persons convening the meeting of the Owners' Committee shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the Owners' Committee, and that notice shall specify the place, date and time of the meeting and the resolutions (if any) that are to be proposed at the meeting. Such notice may be given by delivering it personally to the member of the Owners' Committee; or by sending it by post to the member of the Owners' Committee at his last known address; or by leaving it at the member's Unit or depositing it in the letter box for that Unit.

12. The quorum at a meeting of the Owners' Committee shall be at least half of total number of members of the Owners' Committee (rounded up to the nearest whole number), or 3 such members, whichever is the greater.

13. A meeting of the Owners' Committee shall be presided over by:

(a) the Chairman; or

(b) in the absence of the Chairman, a member of the Owners' Committee appointed as Chairman for that meeting.

14. At a meeting of the Owners' Committee, each member present shall have 1 vote on a question before the Owners' Committee and if there is an equality of votes, the Chairman shall have, in addition to a deliberative vote, a casting vote.

## SECTION VIII

### REINSTATEMENT

1. In the event of the whole or any part or parts of the Development being so damaged by fire typhoon earthquake subsidence or other cause so as to render the same substantially unfit for use or habitation or occupation, the Manager shall convene a meeting of the Owners of the part or parts of the Development so affected, and such meeting may resolve that by reason of insufficiency of insurance monies changes in building law and/or regulations or any other circumstances whatsoever it is not practicable to reinstate and rebuild such part or parts of the Development, then and in such event the undivided shares in the Land and the Development representing such part or parts shall be acquired by the Manager and the Owners of such undivided shares shall in such event be obliged to assign the same and all rights and appurtenances thereto to the Manager upon trust to forthwith dispose of the same by either private treaty or public auction and to distribute the net proceeds of sale amongst the Owners of such undivided shares in proportion to the respective undivided shares previously held by such former Owners. All insurance moneys received in respect of any policy insurance on such part or parts of the Development shall likewise be distributed amongst such former Owners. In such event, all the rights privilege obligations and covenants of such Owners under this Deed or any other deed shall be extinguished so far as the same relate to such part or parts of the Development Provided Always That if it is resolved to reinstate or rebuild such part or parts of the Development, each Owner of such part or parts shall pay his due proportion of the excess of the cost of reinstatement or rebuilding of such part or parts over and above the proceeds from the insurance of such part or parts and that until such payment the same will be a charge upon his interest in the Land and the Development and be recoverable as civil debt.

2. The following provisions shall apply to a meeting convened by the Manager under the provisions of this Section:

- (a) Every such meeting shall be convened by at least 14 days' prior notice in writing given by the Manager either personally or by post addressed to the Owners at their last known addresses or by leaving the notices at the Owners' Units or depositing the notices in the letter boxes of their Units;
- (b) Subject to sub-clause (1) of this Clause 2, no business shall be transacted at any meeting unless a quorum is present throughout the meeting and Owners present in person or by proxy who in the aggregate have vested in them not less than seventy-five percent (75%) of the total number of undivided shares in the damaged part or parts of the Development shall be a quorum;
- (c) Subject to sub-clause (1) of this Clause 2, if within half an hour from the time appointed for the meeting a quorum be not present the meeting shall stand adjourned to the same time and day in the next week at the same place;
- (d) The Manager shall be the Chairman of the meeting;

- (e) The Chairman of the meeting shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) Subject to sub-clause (l) of this Clause 2, every Owner shall have one vote for each undivided share vested in him and in the case of Owners who together are entitled to one such undivided share such Owners shall jointly have one vote for each such undivided share and in case of dispute the first named of such Owners shall have the right to vote;
- (g) Votes may be given either personally or by proxy;
- (h) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A to the Building Management Ordinance (Cap. 344 of the Laws of Hong Kong), and shall be signed by the Owner, or if the Owner is a body corporate, shall notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of that body corporate and signed by a person authorized by the body corporate in that behalf. The instrument appointing a proxy shall be lodged with the Chairman of the meeting or the person convening the meeting pursuant to this Deed, at least 48 hours before the time for the holding of the meeting. A proxy appointed by an Owner to attend and vote on behalf of the Owner, shall, for the purposes of the meeting, be treated as being the Owner present at the meeting;
- (i) Subject to sub-clause (l) of this Clause 2, a resolution passed by not less than seventy-five percent (75%) majority of the Owners present in person or by proxy and voting at a duly convened meeting of the Owners present in person or by proxy who in the aggregate have vested in them not less than seventy-five percent (75%) of the undivided shares allocated to the damaged part or parts of the Development shall be binding on all the Owners of such part or parts of the Development Provided as follows:
  - (i) the notice convening the meeting shall specify the intention to propose a resolution concerning such matter;
  - (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid;
  - (iii) no resolution shall be valid if it is contrary to the provisions of this Deed;
- (j) Subject to sub-clause (l) of this Clause 2, a resolution in writing signed by Owners who in the aggregate have vested in them for the time being not less than seventy-five percent (75%) of the undivided shares allocated to the part or parts of the Development in question shall be as valid and effectual as if it had been passed at a duly convened meeting of such Owners;

- (k) The accidental omission to give notice as aforesaid to any Owners shall not invalidate the meeting or any resolution passed thereat.
  
- (l) Notwithstanding any provisions herein contained, the undivided shares allocated to the Common Areas and the Common Facilities shall not be taken into account for the purpose of voting or calculating the quorum. Accordingly, the undivided shares as referred to in the Clauses 2(b), (c), (f), (i) and (j) of this Section shall not include the undivided shares allocated to the Common Areas and the Common Facilities.

## SECTION IX

### EXCLUSIONS AND INDEMNITIES

1. Neither the Manager nor any of its employees, agents or sub-contractors shall be liable to the Owners' Committee or any Owner or any person or persons whomsoever whether claiming through, under or in trust for the Owners' Committee or any Owner or otherwise :

- (a) for or in respect of any act, matter or thing done or omitted in pursuance or in purported pursuance of the provisions of this Deed or any instruction from the Owners' Committee or the Owners; or
- (b) for or in respect of any loss or damage to any person or persons or property caused by or through or in any way owing to any defect in or failure or breakdown of the lifts, fire and security services equipment, any of the Common Areas or the Common Facilities, heat ventilation and air-conditioning plant and other facilities (if any) of or in the Development; or
- (c) for or in respect of any loss or damage to any person or persons or property caused by or through or in any way owing to any failure, malfunction, explosion or suspension of the supply of water, electricity or other utility or service to the Development; or
- (d) for or in respect of any loss or damage to any person or persons or property caused by or through or in any way owing to fire or flooding or the overflow or leakage of water from anywhere within the Development or the influx of rainwater or other substances; or the activity of termites, cockroaches, rats, mice or other pests or vermin in any of the buildings erected on or in the Development; or
- (e) for the security or safekeeping of the Development or any person or persons or contents therein;

unless it can be shown that the damage, loss or injury was caused by an act or omission of the Manager, its employees, agents or contractors involving criminal liability or dishonesty or negligence and Provided that the contribution or any other charges payable under this Deed or any part thereof shall not be abated or cease to be payable on account thereof.

2. The Owners shall fully and effectually indemnify the Manager from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the Development or anything mentioned in Clause 1 of this Section IX and all costs and expenses (including legal costs) in connection therewith save that the protection afforded by the Clause shall not extend to anything involving criminal liability or negligence or dishonesty by or on the part of the Manager or its employees agents or sub-contractors.

## SECTION X

### MISCELLANEOUS

1. Without prejudice to any provisions herein contained, no person shall after ceasing to be an Owner of any undivided shares in the Land and the Development be liable for any debts liabilities or obligations under the covenants terms and conditions of this Deed in respect of such undivided share and/or the part of the Development held therewith save and except in respect of any breach non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.
2. Each Owner shall notify the Manager of the name and address of the person authorized by him to accept service of process. Any Owner not occupying or using his Unit must provide the Manager with an address within the jurisdiction for service of notices under the terms of this Deed, failing which the address of his Unit shall be deemed to be his address for service.
3. There shall be public notice boards (including, without limitation, light emitting diode (LED) monitor display notice boards) at such prominent places in the Development as the Manager may from time to time determine. There shall be exhibited on each of such public notice boards a copy of the House Rules from time to time in force and all notices which under this Deed are required to be exhibited thereon and such other notices and announcements as the Manager may from time to time decide to exhibit or approve for exhibition thereon. Except in the case of a notice required by this Deed or by law to be served personally or in any other manner, the exhibition of a notice on such public notice boards for three consecutive days shall be due notice of the contents thereof to each Owner, his tenants, licensees, servants and agents.
4. Subject as hereinbefore provided in the case notices to be affixed to the public notice boards, all notices or demands required to be served hereunder shall be sufficiently served if served personally upon the party to be served or sent by post addressed to the party to whom the notices or demands are given at his last known address or left at the Unit or the letter box thereof of which the party to be served is the Owner notwithstanding that such party shall not personally occupy the same Provided that where notice is to be given to an Owner who is a chargor, such notice may also be served on the chargee, if a company, at its registered office or last known place of business in Hong Kong and, if an individual, at his last known place of business or residence. All notices required to be given to the Manager shall be sufficiently served if sent by prepaid post addressed to or if by hand left at the registered office of the Manager.
5. The covenants and provisions of this Deed shall be binding on the parties hereto and their respective executors, administrators, successors in title and assigns and the benefit and burden thereof shall be annexed to the Common Areas, the Common Facilities and to the undivided shares held therewith.
6. (a) (i) No provision in this Deed shall prejudice or contravene or in any way

be construed or constructed so as to prejudice or exclude or contravene or fail to comply with the provisions of the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) and the Schedules thereto.

- (ii) The provisions of the Schedules 7 and 8 to the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) shall be deemed to be incorporated in and form part of this Deed and shall prevail over any other provision in this Deed that is inconsistent with them. The Registered Owner (which expression, for the purpose of this clause, excludes its assigns) shall deposit a copy of each of Schedules 7 and 8 to the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) (English and Chinese Version) in the management office in the Development for reference by the Owners free of charge during the normal office hours of the Manager. A copy of the said Schedules 7 and 8 shall be provided to any Owner upon request at the expense of such Owner and upon payment of a reasonable charge. All charges received will be paid into the Special Fund.
  - (iii) No provision in this Deed shall conflict with or be in breach of any terms and conditions contained in the Government Grant. If any provision contained in this Deed conflicts with the Government Grant, the Government Grant shall prevail.
- (b) At any time after the formation and during the period of existence of the Owners' Corporation under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), the Owners' meeting under this Deed shall be replaced and substituted by the general meeting of the Owners' Corporation and the Owners' Committee under this Deed shall be replaced and substituted by the management committee of the Owners' Corporation. The general meeting of the Owners' Corporation shall take the place of the Owners' meeting and the management committee of the Owners' Corporation shall take the place of the Owners' Committee. For the avoidance of doubt, upon the management committee of the Owners' Corporation replacing the Owners' Committee, all references in this DMC to the "Owners' Committee" shall be construed and read as referring to the "management committee of the Owners' Corporation".
- (c) Upon execution of this Deed, the Registered Owner shall assign the whole of the undivided shares in the Common Areas and the Common Facilities free of cost or consideration to the Manager appointed under this Deed who must hold the said undivided shares on trust for the benefit of all Owners. Subject as hereinafter provided, on termination of the Manager's appointment, the Manager must assign the undivided shares in the Common Areas and the Common Facilities free of costs or consideration to its successor in office as the Manager who must hold the said undivided shares on trust for the benefit

of all Owners. If an Owners' Corporation is formed under the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong), it may require the Manager, in accordance with this Deed to assign the undivided shares in the Common Areas and the Common Facilities and transfer the management responsibilities to it free of costs or consideration, in which event, the Owners' Corporation must hold such undivided shares on trust for all the Owners.

7. The Registered Owner (which expression, for the purpose of this clause, shall exclude its assigns) shall at the costs of the Registered Owner and within one month from the date of this Deed cause this Deed to be translated into Chinese and such Chinese text shall be available for inspection at the management office in the Development free of charge. A copy of the Chinese text of this Deed shall be supplied to each Owner on request at his expense and upon payment of a reasonable charge. All charges received shall be credited to the Special Fund. In the event of dispute as to the effect or construction thereof, the English text shall prevail.

8. A set of plans showing the Common Areas and Common Facilities where such can be shown and delineated on plans as appropriate and any subsequent amendments thereto shall be prepared by the Registered Owner and certified as to their accuracy by the Authorised Person and kept at the management office and may be inspected by the Owners during normal office hours free of costs and charges.

9. The undivided shares allocated to the Common Areas and the Common Facilities shall not carry any voting rights at any meeting whether under this Deed, the Building Management Ordinance (Chapter 344 of the Laws of Hong Kong) or otherwise or liability to pay any fees under this Deed, nor shall such undivided shares be taken into account for the purpose of calculating the quorum of any meeting under this Deed.

10. (a) The Registered Owner shall, at its own costs, compile for the reference of the Owners and the Manager a schedule and maintenance manual for the Works and Installations, setting out the following details: -

- (i) as-built record plans of the building and services installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all facilities and equipment;
- (ii) all warranties and guarantees provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all facilities and equipment;
- (iii) recommended maintenance strategy and procedures;
- (iv) a list of items of the Works and Installations requiring routine maintenance;

- (v) recommended frequency of routine maintenance inspection;
  - (vi) checklist and typical inspection record sheets for routine maintenance inspection; and
  - (vii) recommended maintenance cycle of the Works and Installations.
- (b) The Registered Owner shall deposit a full copy of the schedule and maintenance manual for the Works and Installations in the management office within one month of the date of this Deed for inspection by all Owners free of charge and taking copies at their own expenses and on payment of a reasonable charge. All charges received shall be credited to the relevant Special Fund(s).

11. The schedule and the maintenance manual for the Works and Installations shall be revised if necessary in future to take into account any necessary changes such as addition of works and installations in the Development and the updating of maintenance strategies in step with changing requirements.

12. The Owners may, by a resolution of Owners at an Owners' meeting convened under this Deed, decide on revisions to be made to the schedule and the maintenance manual for the Works and Installations, in which event the Manager shall procure from a qualified professional or consultant the revised schedule and the revised maintenance manual for the Works and Installations within such time as may be prescribed by the Owners in an Owners' meeting convened under this Deed.

13. All costs incidental to the preparation of the revised schedule and the revised maintenance manual for the Works and Installations will be paid out of the Special Fund.

14. The Manager shall deposit the revised maintenance manual for the Works and Installations in the management office within one month from the date of its preparation for inspection by all Owners free of charge and taking copies at their own expenses and on payment of a reasonable charge. All charges received shall be credited to the Special Fund.

15. The locations of the balconies and non-structural prefabricated external wall forming parts of the Green and Innovative Features of the Development are shown on the Plans.

16. All Sub-Deeds of Mutual Covenant (if applicable) made under this Deed shall be drafted in accordance with the guidelines prescribed by the Law Society except where to comply with these guidelines, a Sub-Deed of Mutual Covenant would then be in conflict with the provisions of this Deed, then the guidelines need not be complied with to the extent necessary to avoid any such conflict.

17. In this Deed (if the context permits or requires) words importing the singular

number only shall include the plural number, and vice versa; words importing the masculine gender only shall include the feminine gender and the neuter gender; words importing persons shall include corporations and vice versa; references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Deed.

IN WITNESS whereof the parties have caused this Deed to be duly executed the day and year first above written.

**THE FIRST SCHEDULE ABOVE REFERRED TO**

**The Government Grant**

(A) Government Lease of Inland Lot No.675

Date : the 23<sup>rd</sup> day of November 1861

Parties : Queen Victoria of the one part and Aspundiarjee Tamooljee of the other part

Term : 999 years from the 25<sup>th</sup> day of June 1861

Lot No. : Inland Lot No.675

(B) Government Lease of Inland Lot No.676

Date : the 28<sup>th</sup> day of October 1861

Parties : Queen Victoria of the one part and George Davis and Henry William Davis of the other part

Term : 999 years from the 25<sup>th</sup> day of June 1861

Lot No. : Inland Lot No.676

**THE SECOND SCHEDULE ABOVE REFERRED TO**

(Allocation of undivided shares)

Summary of Allocation of undivided shares

<u>Description</u>	<u>No. of undivided shares</u>
1. Residential Units	2,737
2. Shop on Ground Floor and 1st Floor including balcony(s), open area(s) and flat roof(s) thereof	473
3. Common Areas and Common Facilities	500
<b>TOTAL UNDIVIDED SHARES :</b>	<b>3,710</b>

Allocation of undivided shares to each Residential Unit

<u>Floor</u>	<u>Residential Unit</u>	<u>No. of undivided shares allocated to each Residential Unit</u>	<u>No. of Residential Unit</u>	<u>Sub-Total</u>
2nd	Flat A <sup>+</sup>	30	1	30
	Flat B	29	1	29
	Flat C	28	1	28
	Flat D*	30	1	30
	Flat E* <sup>+</sup>	28	1	28
3rd – 23rd	Flat A <sup>+</sup>	30	18	540
	Flat B	29	18	522
	Flat C	28	18	504
	Flat D	29	18	522
	Flat E <sup>+</sup>	28	18	504

- Notes (1) There is no designation of Floor Nos.4, 13 and 14.  
(2) All Flats include balcony **Except Flat E on the 2<sup>nd</sup> Floor.**  
(3) All Flats include curtain wall.  
(4) “\*” means including flat roof(s) thereof.  
(5) “+” means including non-structural prefabricated external wall(s) thereof.

**THE THIRD SCHEDULE ABOVE REFERRED TO**

(Allocation of Management Shares)

Summary of Allocation of Management Shares

<u>Description</u>	<u>No. of Management Shares</u>
1. Residential Units	2,737
2. Shop on Ground Floor and 1st Floor including balcony(s), open area(s) and flat roof(s) thereof	473
3. Common Areas and Common Facilities	0
<b>TOTAL MANAGEMENT SHARES :</b>	<b>3,210</b>

Allocation of Management Shares to each Residential Unit

<u>Floor</u>	<u>Residential Unit</u>	<u>No. of management shares allocated to each Residential Unit</u>	<u>No. of Residential Unit</u>	<u>Sub-Total</u>
2nd	Flat A <sup>+</sup>	30	1	30
	Flat B	29	1	29
	Flat C	28	1	28
	Flat D*	30	1	30
	Flat E* <sup>+</sup>	28	1	28
3rd – 23rd	Flat A <sup>+</sup>	30	18	540
	Flat B	29	18	522
	Flat C	28	18	504
	Flat D	29	18	522
	Flat E <sup>+</sup>	28	18	504

- Notes (1) There are no designation of Floor Nos.4, 13 and 14.  
(2) All Flats include balcony **Except Flat E on the 2<sup>nd</sup> Floor.**  
(3) All Flats include curtain wall.  
(4) “\*” means including flat roof(s) thereof.  
(5) “+” means including non-structural prefabricated external wall(s) thereof.

**THE FOURTH SCHEDULE ABOVE REFERRED TO**

Works and Installations as at the date of this Deed :

- (i) structural elements;
- (ii) external wall finishes and roofing materials;
- (iii) fire safety elements;
- (iv) the slope structures (if any);
- (v) plumbing system;
- (vi) drainage system;
- (vii) fire services installations and equipment;
- (viii) electrical wiring system;
- (ix) lift installations (if applicable);
- (x) gas supply system;
- (xi) window installations;
- (xii) air-conditioning for entrance lobby;
- (xiii) curtain wall system;
- (xiv) extra low voltage system; and
- (xv) gondola system (if any).

## **THE FIFTH SCHEDULE ABOVE REFERRED TO**

### (Fitting Out Rules)

1. Each Owner of the Shop(s) shall submit to the Manager for approval (which approval shall be given by the Manager as soon as shall be practicable) full detailed plans and written supporting information of all proposals concerning the fitting out of his Unit. The plans shall comply with all relevant laws of Hong Kong including, but without limitation, all relevant ordinances, regulations and by-laws, and shall include:-

- (a) All fitting out details, alterations and additions to all non-load bearing walls, doors, door openings and lobbies;
- (b) Detailed drawings, plans and specifications of all electrical and air-conditioning installations which shall be connected by such Owner to the utility systems provided; and
- (c) Details of all lighting circuitry, fixtures and fittings.

The Manager shall be entitled to charge the relevant Owner a reasonable administrative fee as consideration for granting and processing the said approval which fee shall be held by the Manager for the benefit of all Owners and paid into the Special Fund.

2. All works specified and approved in writing by the Manager shall be completed in strict accordance with such approved drawings, plans and specifications within three months of each Owner being notified of such approval or such longer period as may be agreed by the Manager.

3. When the fitting out proposals are approved and before any work commences, each Owner shall submit to the Manager the name, address and telephone number of his contractors.

4. For works that may affect services outside the individual Unit including:-

- (a) any work involving the construction or installation of any brickwork, concrete or other items of a structural nature;
- (b) any plumbing or drainage work;
- (c) any alteration or addition to any mechanical or electrical service;
- (d) any specialist work;

each Owner is required to use the services of the Manager's nominated contractors or, subject to such terms and conditions as may be specified by the Manager, a contractor appointed by such Owner and approved in writing by the Manager. Notwithstanding anything herein mentioned, the Manager's nominated contractor must always be employed for all work affecting the fire services installation systems whether within the individual Unit or not or the electrical wiring from the Switch Room(s) to any Shop(s).

5. No work is allowed to be carried out in the Common Areas or in the Common Facilities except where the prior written consent of the Manager has been obtained.
6. Debris created by the carrying out of any work and moving in are to be cleared at the expense of the Owner creating the same (whether by himself or his contractor) and if so required by the Manager each Owner shall before he is entitled to possession of his Unit pay to the Manager on demand a fee for the performance of such clearing work in such manner and proportions as shall be determined by the Manager to be fair and reasonable and the Manager's determination shall be final and binding on all Owners.
7. Debris are not allowed to be stacked in the Common Areas or the Common Facilities.
8. Each Owner shall co-operate and shall procure that his servants, agents and workmen co-operate fully with the Manager, his nominated contractors and project consultants in carrying out any works in his Unit and shall cause such work to be co-ordinated and carried out in such a manner as to avoid any delay or interference to others.
9. Each Owner, his servants, agents and workmen shall obey and comply with all instructions and directions which may be given by the Manager or its authorized representatives in connection with the carrying out of any works in his Unit.
10. Each Owner is solely responsible for the safety of all the works carried out in his Unit and for the payment of all costs, charges and expenses involved.
11. Each Owner shall indemnify the Manager against all claims arising out of the actions of his contractors and others similarly employed in connection with the carrying out of any work in his Unit.
12. No Owner shall carry out or attempt to carry out any work which is likely to cause any fire risk or other hazard in the Development.
13. Each Owner shall ensure that all the necessary consents, approvals or permission (if any) from the relevant Government authorities have been duly obtained in respect of all works to be carried out in his Unit.
14. Each Owner is solely responsible for all consequences resulting from the completion of the works specified and/or approved by the Manager and the Manager shall not in any circumstances be liable to any Owner in respect of any specification and/or approval given by the Manager to the carrying out of works at the Unit of an Owner.
15. Each Owner shall be responsible to ensure that his tenants, licensees, servants or agents comply with the Fitting Out Rules.

SEALED with the Common Seal )  
)  
of Joint View International Limited, the )  
)  
Registered Owner, and SIGNED by )  
)  
)  
)  
)  
)  
whose signature(s) is/are verified by: )

SEALED with the Common Seal )  
)  
of New World Property Management )  
)  
Company Limited, the DMC Manager, )  
)  
and SIGNED by )  
)  
)  
)  
)  
whose signature(s) is/are verified by: )

SIGNED SEALED AND DELIVERED )  
 )  
by the Covenantee Owner/ )  
 )  
SEALED with the Common Seal of the )  
 )  
Covenantee Owner and )  
 )  
SIGNED by )  
 )  
 )  
 )  
 )  
 )  
 )  
in the presence of: )

INTERPRETED to the Covenantee Owner by:-

Dated the \_\_\_\_\_ day of \_\_\_\_\_.

**JOINT VIEW INTERNATIONAL LIMITED**

and

**NEW WORLD PROPERTY MANAGEMENT COMPANY  
LIMITED**

and

[ \_\_\_\_\_ ]

\*\*\*\*\*

**DEED OF MUTUAL COVENANT INCORPORATING  
MANAGEMENT AGREEMENT**

**OF**

**SUBSECTION 2 OF SECTION B OF INLAND LOT  
NO.675, THE REMAINING PORTION OF SECTION A  
OF INLAND LOT NO.676, SUBSECTION 3 OF SECTION  
B OF INLAND LOT NO.675, SUBSECTION 4 OF  
SECTION B OF INLAND LOT NO.675, SUBSECTION 5  
OF SECTION B OF INLAND LOT NO.675, SECTION D  
OF INLAND LOT NO.675, SECTION E OF INLAND LOT  
NO.675, SECTION F OF INLAND LOT NO.675 and THE  
REMAINING PORTION OF INLAND LOT NO.675**

\*\*\*\*\*

**KAO, LEE & YIP  
SOLICITORS & NOTARIES  
17TH FLOOR, GLOUCESTER TOWER  
THE LANDMARK, CENTRAL  
HONG KONG SAR.**

Y/LWY/81280/JWL/MK(CV)